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South Pacific Forum Held

Micronesia President Officially Opens Forum

BK2907064591 Melbourne Radio Australia in English 0500 GMT 29 Jul 91

[Text] President Baily Olter of the Federated States of Micronesia says economic cooperation and development are the main priorities of the South Pacific Forum.

Officially opening the Forum's heads of government annual meeting in Palikir, Mr. Olter pointed to the Forum's success in combatting drift netting, adopting the South Pacific Nuclear Free Zone Treaty, and encouraging recent constructive developments in New Caledonia.

He said the Forum had united an enormous diversity of cultural, historical, and ethnic backgrounds, and that had begun the preeminent meeting in the region. It also offered Pacific Nations lacking size and influence an opportunity to face up to the world more confidently.

Environmental issues are high on the agenda amid concern that rising sea levels caused by greenhouse gas emissions in industrial nations threaten the existence of some forum member states. It's been reported that Kiribati, Tuvalu, and the Republic of Marshall Islands could disappear unless production of the gases is reduced. Other environmental issues to be raised at the meeting includes French nuclear testing at Mururoa Atoll and the disposal of chemical weapons from Western Europe on America's Johnston Atoll.

Solomon Islands To Host Next Forum Meeting

BK2907072091 Hong Kong AFP in English 0704 GMT 29 Jul 91

[Text] Palikir, July 29 (AFP)—The Solomon Islands will host next year's South Pacific Forum meeting, forum spokesman and Fiji Prime Minister Ratu Sir Kamisese Mara said here Monday.

Next year marks the 50th anniversary of the World War Two battle of Guadalcanal in the Solomons where the United States reversed the Japanese drive into the Pacific.

The issue of forum venues has vexed this year's forum and members have agreed that from 1994 they will be awarded alphabetically starting with Australia, Ratu Mara said in a statement.

He also announced that the new forum secretary general will be former Kiribati president Ieremia Tabai, replacing former Tuvalu Deputy Prime Minister Henry Naisali who held the post for six years.

The current head of the forum fisheries agency, Western Samoa's Philipp Muller, was also named as the new head of the South Pacific applied geoscience commission. He takes over from Fiji's Jioji Kotobalavu who will be executive secretary of the newly created United States-forum island countries Joint Commercial Commission (JCC). The JCC is a U.S. initiative put forward by President George bush at a summit with island leaders in Honolu'u last October.

Pacific Nations To Renew Criticism of France

BK2707125691 Hong Kong AFP in English 1022 GMT 27 Jul 91

[Text] Palikir, July 27 (AFP)—South Pacific nations will launch a "strong objection" to French nuclear testing at the annual heads of government meeting here, New Zealand Prime Minister Jim Bolger said Saturday.

Last year's forum statement did not specially mention testing, leading French diplomats to claim Pacific acceptance of nuclear tests in the region.

Mr. Bolger, whose country has spearheaded regional opposition to French testing, said the issue would be covered "firmly."

"Leaders again expressed their strong rejection of French arguments that they must continue to test in the Pacific."

He said he noted the concerns of the Pacific registered in the communique this year.

"I wouldn't say the (feeling on the issue) is strong but it is a continuing strength, given that France as yet has shown no inclination to stop.

"We don't want it, we don't need it."

Mr. Bolger was speaking after a day-long private and informal meeting of the 15 leaders.

All outstanding issues were basically resolved in the private meeting ahead of Monday and Tuesday's formal session, he said.

Micronesia, PNG Sign Maritime Agreement

BK2907133391 Hong Kong AFP in English 1040 GMT 29 Jul 91

[Text] Palikir, July 29 (AFP)—The Federated States of Micronesia and Papua New Guinea signed an agreement Monday defining maritime boundaries between the two states.

The agreement was signed by Micronesian President Bailey Olter and Papua New Guinea Prime Minister Rabbie Namaliu, both attending the annual South Pacific forum here.

The boundary was needed because both countries have declared 360-kilometre (200-mile) exclusive economic zones that overlap in parts.

Fiji Prime Minister Remarks on New Caledonia

BK2907115591 Hong Kong AFP in English 1115 GMT 29 Jul 91

[Text] Palikir, July 29 (AFP)—South Pacific forum nations want to send annual delegations to the French territory of New Caledonia to more progress towards independence, Fiji Prime Minister Ratu Sir Kamisese Mara said here Monday.

Acting as forum spokesman, he said at a press conference after the first day's sessions that the 15 forum nations also wanted the native Kanak population to devise a programme to increase support for independence.

Forum relations with france over New Caledonia have been relatively peaceful since the signing in 1988 of the Matignon accords, which established a 10-year framework leading to a referendum on self-determination in the territory in 1998.

It was not immediately clear why the forum adopted a harder line on the issue Monday.

Ratu Mara said the delegates hoped France would agree to annual inspection trips by the forum "from our view to monitor the progress, from their view just to talk to people." However, Paris is not expected to welcome such a strong call for inspection rights.

At last year's meeting in Vanuatu the forum established a ministerial committee comprising Fiji, the Solomon Islands and Nauru to review progress there, but France delayed allowing the ministerial group entry into New Caledonia until this month.

"I was very disappointed when France dragged its feet in allowing us to go to New Caledonia," Ratu Mara said. "They did not want us to go as a team to monitor progress of the accord; they wanted us to go individually.

"We held our ground until March when they agreed we could go," he said.

Ratu Mara said that ministers only from Fiji and the Solomon Islands had been able to visit earlier this month and they had made six recommendations to the forum, which he did not spell out.

The Fijian leader, citing a suggestion at Monday's forum to send another mission to Paris, said, "the consensus was that this would not achieve much."

The forum wants a programme to examine progress towards independence and to send a ministerial group each year, he said.

"We thought that the Kanaks themselves should prepare a programme. They should ascertain how many of the 44.8 per cent (of the total New Caledonian population)... Are in support of eventual independence," Ratu Mara said.

"They should try and persuade the 8.6 per cent Wallis Islanders to support them as well as the Indonesians and (Vanuatu citizens). The objective is for them to try and get more than 50 per cent supporting independence by 1998," he said.

Ratu Mara said the delegation that visited New Caledonia admitted they had not done a full analysis of the situation, having written it hurriedly for presentation to the forum. "We are distributing it to the U.N. members and also to France," he said.

Further on Remarks

BK3007114591 Hong Kong AFP in English 1112 GMT 30 Jul 91

[By Michael Field]

[Text] Palikir, July 30 (AFP)—Chinese Premier Li Peng has intervened to stop the South Pacific Forum from improving relations with Beijing's rival government in Taiwan, Fijian Prime Minister Ratu Sir Kamisese Mara said here Tuesday.

The comments by the Fijian leader, who has been acting as forum spokesman during its two-day annual meeting, came as the group issued a final communique saying it would not allow Taiwan to become a full dialogue partner.

Forum members also issued a harsh condemnation of French nuclear testing in the Pacific and expressed dismay that the French decision to sign the Nuclear Non-Proliferation Treaty had not changed its stance on testing.

They also called on industrial nations to reduce emissions of greenhouse gases as rising seawaters caused by global warming threaten the existence of low-lying atoll nations in the Pacific.

Speaking at a press conference, the Fijian leader said Mr. Li had lobbied hard since the forum last year raised the issue of adopting a "two-Chinas" policy recognising both the governments in Beijing and Taipei.

The Forum holds two days of talks with several countries, including China, after its annual meeting and has come under pressure from some members to include Taiwan.

Ratu Mara said China was trading extensively with Taiwan, but wanted the Pacific to limit its contacts.

"I have spoken directly to Mr. Li ... I said: 'Well if you are honest, you stop your dealings with Taiwan, then we will stop our dealings with Taiwan,'" the Fijian leader said.

"I put it to him that the best people to help (China's) economic development would be the Taiwanese."

The communique said that China would remain as a dialogue partner but the forum secretariat would examine the possibility of a separate meeting for "an exchange of views with representatives of Taiwan."

At a separate press conference Tuesday, Australian Foreign Minister Gareth Evans said he was against formal consultations with Taiwan but did not disagree with some form of discussion.

"It's entirely appropriate that the Forum find some way of doing that, provided its not a discussion on the same basis or at the same time as with the full-scale dialogue partners," Mr. Evans said.

Several countries have insisted that any future talks with Taiwan be limited to economic and development assistance and should remain non-political.

In a shift from last year, when the conference communique failed to mention French nuclear testing in the Pacific, Forum members said they were "firm and unceasing" in their opposition to nuclear tests.

"The Forum expressed its deep dismay that the French Government had formally stated that its nuclear testing programme ... would not be affected by the decision to join the Nuclear Non- Proliferation Treaty."

The absence of any condemnation last year had led French diplomats to suggest that Pacific nations had accepted their safety claims about the tests.

On the environment, the communique said global warming and rising sea levels were serious threats to the Pacific states.

"The culture, economic and physical survival of Pacific nations is at great risk," it said.

It called for strong international action to make "significant and immediate reductions in emissions of industrially generated greenhouse gases..."

The group also reaffirmed their opposition to the storage and destruction of U.S. chemical and biological weapons on Johnston Atoll east of here.

The Pacific news agency Pacnews Tuesday reported that Ratu Mara had said he was opposed to a Forum delegation to a UN environmental conference in Brazil being lead by Solomon Islands Prime Minister Solomon Mamaloni, who has not attended a Forum meeting in two years.

On a report on the growth of organised crime in the region, Ratu Mara said the forum had set up a regional security committee to continue work on crime prevention coordination.

He also said the forum would support the applications of the Federated States of Micronesia, the Marshall Islands and both North and South Korea to join the United Nations.

The forum also discussed an initiative by President George Bush to create a joint commercial commission between the U.S. and the forum. Ratu Mara said they had a number of reservations and were concerned at the exclusion of Australia and New Zealand.

Forum energy ministers are to meet on August 29-30 in Suva to discuss oil prices and Fiji's decision to ban oil companies from re-exporting oil from the islands, Ratu Mara said.

The South Pacific Forum groups Australia, the Cook Islands, Fiji, Kiribati, Micronesia, Nauru, New Zealand, Niue, Papua New Guinea, the Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa.

Japan

Kaifu Welcomes Bush Remarks on Islands Issue

OW3107023191 Tokyo KYODO in English 0221 GMT 31 Jul 91

[Text] Tokyo, July 31 (KYODO)—Prime Minister Toshiki Kaifu welcomed Wednesday U.S. President George Bush's broaching of the necessity of resolving the Soviet Union's territorial dispute with Japan at a superpower summit in Moscow with Soviet President Mikhail Gorbachev.

Kaifu told reporters,"I understood he took up the issue for stability in Asia-Pacific region ... after the problem was officially recognized as an international issue at the summit in London."

Kaifu added, "I strongly hope for further advancement toward a settlement of the issue."

It was the first time a U.S. president has given such prominence to Japan's dispute over the four Soviet-held islands off the coast of Hokkaido.

The territorial dispute has been the greatest obstacle to full normalization of ties between Japan and the Soviet Union.

In a speech at the Moscow state institute for international relations later in the day, Bush expressed support for Japan's long- standing call for the return of four Soviet-held islands off Hokkaido.

Bush said the lingering territorial dispute may delay the Soviet Union's integration into the world economy.

In Moscow, Soviet and U.S. spokesmen said Bush and Gorbachev are likely to discuss what Japan calls the Northern Territories issue at a second round of summit talks on Wednesday.

Nakayama Praises U.S.-USSR START Accord

OW3107131291 Tokyo KYODO in English 1306 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Japan on Wednesday welcomed the signing of a treaty between the United States and the Soviet Union ending the nine-year negotiations known as the Strategic Arms Reduction Talks (START).

Foreign Minister Taro Nakayama, in a statement issued after the accord was signed in Moscow by U.S. President George Bush and Soviet President Mikhail Gorbachev, said Japan "heartily welcomes" the agreement.

"Japan...hopes that U.S.-USSR relations and East-West relations will be further stabilized through the signing of the treaty and that the security of many countries, including Japan, will be enhanced," Nakayama said.

The treaty reduces for the first time the strategic nuclear weapon stockpiles of the two superpowers, limiting each to 1,600 intercontinental bombers and missiles carrying 6,000 thermonuclear charges, or roughly a 30 percent reduction in the overall size of the arsenals.

It also provides for detailed verification measures.

Officials said Japan also welcomes a separate U.S.-Soviet political declaration whereby the number of Soviet medium-range Backfire bombers would be limited to 500.

They said the Soviet Union has now produced just over 360 Backfires, some 76 of which are deployed in the Soviet Far East.

With the rate of production at about 30 Backfires a year, the number deployed in the vicinity of Japan could have increased substantially in the future if the ceiling were not in place.

"So in the long term perspective it has a positive effect," said one official.

Mayors Discuss Return of U.S. Bases

Nago Mayor

OW3007200991 Naha OKINAWA TIMES in Japanese 30 Jul 91 Morning Edition p 2

[Interview with Nago Mayor Tetsuya Higa by unidentified reporter; place and date not given—third in series of interviews entitled "Heads of Local Governments on Return of Military Bases"]

[Text] [OKINAWA TIMES] Would you explain the present situation concerning U.S. military bases in the city of Nago?

[Higa] There are three military bases in our city—Camp Schwab, Camp Hansen, and Henoko Ammunition Depot. The total area occupied by these bases is approximately 2,300 hectares. These bases occupy approximately 11 percent of the city's total area and the area occupied by them represents 9 percent of the total area occupied by U.S. military bases in Okinawa. At Camp Hansen and Camp Schwab, U.S. Marines conduct live-fire exercises. At Camp Schwab, in particular, tanks conduct live-shelling exercises. Field ranges have been constructed mainly on Mt. Kushi, and forest lands have been destroyed to build a 30-km tank track between the two camps.

[OKINAWA TIMES] Would you explain damages attributed to the U.S. military bases?

[Higa] About 10 years ago, 105-mm tank shells fell in residential areas and stray bullets from M-85 heavy machine guns fell very close to civilian houses. In the Kushi and Henoko Districts, which are located near training grounds, training-related explosions and noises were heard incessantly, and this posed serious social problems. Recently, however, these things have not been occurring. Needless to say, it is only natural that such things do not occur. If such things occur, citizens would not tolerate them. Regarding Camp Schwab, which is a key inflicter of damages, I have already strongly asked the camp to employ thorough safety measures. Whenever the commander of the camp is replaced, I always ask him "not to inflict any damages upon citizens in order to maintain good relations between the U.S. military and the citizens."

[OKINAWA TIMES] What is your personal view of the U.S. military bases?

[Higa] Generally speaking, it is better for us not to have any military bases. In reality, however, it is difficult to have them returned immediately. We should demand their return after working out concrete plans for compensation and the utilization of military land. To that end, Nago, in line with the current development plan, is working out plans for the utilization of military land to be returned in the future. Our city has been holding a series of meetings to discuss how best to use the land to create "a bright and beautiful city" in line with the basic concept for developing our city. At the same time, we are trying to achieve a consensus among landowners and residents.

[OKINAWA TIMES] How do you specifically plan to work for the return of the military bases?

[Higa] With the East-West cold war structure rapidly moving toward detente, a current of cooperation is rapidly emerging in Asia. East European nations are making moves to join the EC and importance is being attached to economics rather than to the military. Therefore, we should launch a campaign in Okinawa to attach importance to the civilian arena rather than to the military arena, eventually aiming to return "the military bases" to civilian use. Nago plans to have Camp Schwab's Oura Bay returned and built into a beach resort. In other words, we intend to turn "the military bases" into "civilian bases." We plan to encircle the military bases with civilian bases.

[OKINAWA TIMES] What about the future?

[Higa] Let me give you an example: In terms of Henoko Ammunition Depot, which is known as a nuclear ammunition depot, its secrecy and importance appear to be increasingly diminishing. I think that in the near future, only a small number of necessary military facilities will remain in Okinawa. All cities, towns, and villages, regardless of whether they are reformist or conservative, should work together on plans to utilize the military land in preparation for their return.

Ginowan Mayor

OW3107074991 Naha OKINAWA TIMES in Japanese 31 Jul 91 Morning Edition p 2

[Interview with Ginowan Mayor Seiken Tobaru by unidentified reporter; date and place not given—fourth in series of interviews entitled "Heads of Local Governments Speak on Return of Bases"]

[Text] [OKINAWA TIMES] What is the current situation of the U.S. military bases in Ginowan City?

[Mayor Tobaru] The area used by the military in Ginowan City is 5.63 million tsubo [1 tsubo equals 3.954 sq. yds.] and the military base in Urasoe City occupies 5.5 million tsubo [figures as published]. When the two are compared, Ginowan City falls short of Urasoe City in both budget and population. This is because of the land used by the military. There is a difference of some 10 billion yen in budget. This works as an impediment to the development of the city and to the improvement of the peoples' life. Our sincere hope is that the Futenma Base will be returned soon.

[OKINAWA TIMES] What are the damages caused by the military bases?

[Mayor Tobaru] The damages caused by the bases may be viewed from four angles. First, as regards economic expansion, since the military bases lie right in the middle of the city, there are many problems in developing the city and improving the life of the people. As regards education, there is now arising a need to move Futenma Daini Primary School. Because of aircraft noise, classes are constantly interrupted. It can be said that the children are losing one semester of class hours every year. This is a great loss in education for the local of the children. As regards the nation, nowhere else in the world is there a town which has bases in the middle of it; no nation would tolerate such a situation. And finally, as regards peace, the reason why the U.S. military bases were set up in Okinawa was to be prepared against the Soviet Union and the Communists—in other words, to defend the Asian region from the threat of the Communist bloc. But the war of ideology is now coming to an end in this part of the world. Should the peace of the Far East be raised as its purpose, it can no longer serve as a good justification. The bases on Okinawa are no longer necessary.

As President Gorgbachev said, we now live in an era when the "interests of one nation cannot be forced upon another nation." Now is the time to build up mutual trust and cooperation.

[OKINAWA TIMES] What are the plans for use of the returned land?

[Mayor Tobaru] We heard last year the views of many citizens on the utilization of Futenma Base, and we are consolidating those views now. No doubt many people want to return to where they used to live. We want the bases returned, will do our very best to achieve it. In drawing up plans for utilization, we need to think about development of industries, including high technology ones, and development of the tourist and resort industries as well. Once the bases are returned, we can also pool resources in education. In the area of tourism and resort development, we do not want to have something which can be found everywhere else; we would like to think about having something which is No. 1 in Japan or the world. There are many valuable cultural relics left on the bases; they can be useful in academic research. I am convinced that the return of the bases will contribute much to the improved life of the people and to the promotion of society.

[OKINAWA TIMES] I would like to hear your views about the bases on Okinawa.

[Mayor Tobaru] The United States has started to reduce its bases because the world has entered the age of international trust and cooperation. An armed nation cannot get along well with neighboring nations. Open-minded diplomacy is important. Now that the United States and the Soviet Union are moving toward nuclear arms reduction, the United States will be able to earn the confidence of the world by returning the bases on Okinawa.

Steel Works To Import Soviet Processing Machines

OW3107024991 Tokyo KYODO in English 2350 GMT 30 Jul 91

[Text] Tokyo, July 31 (KYODO)—Japan Steel Works Ltd. will import large-scale processing machines from the Soviet Union in September to use at its factory in Muroran, Hokkaido, the NIKKEI SANGYO SHIMBUN reported Wednesday.

According to the industrial daily, the major steelmaker will import a 16 ton hammer from the Ukraine, and a trimming press and vertical lathe from Russia.

The purchase will total approximately 300 million yen.

The price of the machines are 30 to 40 percent lower than those made in Japan.

Japan Steel Works is seen to have been assured of the quality of the products since the Soviet Union has a major industry in large- scale processing machines for domestic use.

The move could prompt other Japanese manufacturers to consider importing Soviet machineries of the same kind, the paper said.

Mitsubishi Receives Tire Plant Order From Iran

OW3107104191 Tokyo KYODO in English 0832 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Mitsubishi Heavy Industries Ltd. said Wednesday it and Mitsubishi Corp. received a 10 billion yen order to construct a tire plant from an Iranian firm.

The payment will be made on a five-year deferred payment basis, company officials said.

It is the first time an Iranian company has been granted such a payment arrangement since the outbreak of the 1979 revolution, they said.

The order was placed by the state-run Kerman Tire and Rubber Complex Co.

The plant, to be located in Kerman, 800 kilometers southwest of Tehran, will have an annual production capacity of about 500,000 pieces of automobile tires.

Further Reportage on Securities Industry Scandal

Finance Ministry Ordinance

OW3107065991 Tokyo NHK General Television Network in Japanese 0300 GMT 31 Jul 91

[Text] In relation to the recent series of securities scandals, the Ministry of Finance has issued a new ordinance to the securities sector, asking securities firms to establish an intra-company control system.

In view of the fact that illicit transactions between major securities brokerages and a major gangster group have also been a target of criticisms in the recent securities scandals, the Finance Ministry has decided to issue a new ordinance, in addition to the 8 July ordinance issued by the director of the Securities Bureau, demanding that securities firms rectify their business approach. The ordinance contains wideranging provisions aimed at rectifying the business approach of brokerages, such as establishing an intra-company control system to prevent anomalous transactions, fully following up transactions with socially objectionable clients, and thoroughly abolishing transactions through accounts under fictitious names, which are prone to use in anomalous deals.

Meanwhile, the Ministry of International Trade and Industry [MITI] has decided to probe the major companies which received compensation for losses from the four major securities houses in order to improve their fiscal system. According to MITI, among the 228 corporations included in the list of recipients of rebates, about 40 percent are manufacturers and other companies under MITI jurisdiction. Loss compensation paid to these corporations amounted to about 50 percent of the total rebate. In view of this, MITI will directly query the individual companies on whether they have been characterized by a tendency to indulge in speculative investments, how they manage their investment funds and how they actually received loss compensation—issues which the MITI thinks form the background to the loss compensation scandals.

More on Instructions

OW3107113091 Tokyo KYODO in English 1109 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—The Finance Ministry Wednesday issued new instructions to securities firms aimed at preventing a recurrence of the scandal sweeping the financial markets, ministry officials said.

The instructions, issued in the name of Nobuhiko Matsuno, director general of the ministry's Securities Bureau, and delivered to the Japan Securities Dealers Association, were addressed to Japan's 267 securities firms, including foreign companies, the officials said.

The ministry took the action in the wake of disclosures by Japan's "big four" securities firms that they had paid a total of 128.3 billion yen to 231 favored corporate and individual clients to make up for their investment losses.

Two of the big four firms also provided billions of yen in loans to an underworld criminal, a former boss of Japan's second largest gangster organization Inagawakai.

The four-point instructions issued by the ministry call for brokerages to establish an independent organ to monitor and screen trading and conduct an in-house investigation of transactions at least once every year, ministry officials said.

They said the ministry also proposed creation of a new system for training of managers who would take charge of securities transactions.

The ministry ordered the securities industry to take measures to ensure fair trading in and outside the market, the officials said.

The securities firms were reminded that they should find out the identity of investors in order to sever links with crime syndicates, the officials said.

The ministry said employees in charge of corporate clients should be relocated after a maximum of three years of serving a certain company, the officials said.

List of Favored Clients Revealed

OW3107112991 Tokyo KYODO in English 1106 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—The Japan Securities Dealers' Association on Wednesday disclosed that four second-tier brokerage houses and nine medium-sized securities firms paid a total of 43.69 billion yen to 379 corporate and six individual clients to compensate them for their market losses.

On Monday, Japan's "big four" brokerage companies—Nomura, Nikko, Daiwa, and Yamaichi—released the full list of favored clients they had compensated. They paid a total of 128.3 billion yen in compensation.

The four second-tier securities companies are New Japan, Kankaku, Kokusai, and Sanyo.

More on List

OW3107130091 Tokyo KYODO in English 1239 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Nippon Kayaku Co., a pharmaceuticals company chaired by a former head of the Ministry of Finance's Securities Bureau, Wednesday was revealed on a list of clients compensated by a medium-ranked securities house for investment losses.

The list, disclosed by the Japan Securities Dealers Association on Wednesday, shows that Taiheiyo Securities Co. paid 5 million yen to the Tokyo-based company, whose chairman is Tsunekazu Sakano.

At present, Sakano serves as a member of the Securities and Exchange Council, an advisory body to Finance Minister Ryutaro Hashimoto, and acting chairman of the body's Special Subcommittee on Unfair Transactions.

In a recent interview with a magazine, he opposed the creation of a watchdog body similar to the U.S. Securities and Exchange Commission.

MITI Begins Inquiries of Firms

OW3007135891 Tokyo KYODO in English 1239 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—The Ministry of International Trade and Industry (MITI) has started inquiries about companies under its control that were compensated for their investment losses from the big four brokerage houses, a high-ranking official at the ministry said Tuesday.

Monday, the four brokerages released the names of companies that were compensated in the on-going stock scandal and the ministry has started to ask companies under its purview about their decision- making procedures and accountability system for financial dealings, the official said.

He particularly noted that the companies being questioned generally are claiming they were not aware they were compensated by the securities houses.

The ministry is especially checking to see whether the companies demanded compensation, he said.

When the inquiries are completed, the ministry then will send a special letter to industries calling on them to improve their financial management, the official said.

LDP Considers Committee

OW3107120291 Tokyo NHK General Television Network in Japanese 1000 GMT 31 Jul 91

[Text] The secretary general of the Liberal Democratic Party, Keizo Obuchi, said today that the LDP is thinking of setting up an ad hoc committee in the Diet to study ways of preventing stock market irregularities from happening again. Opposition parties have been calling for such a committee.

Secretary General Obuchi, speaking in Fukuoka City today, said there is now a consensus within the LDP in favor of establishing such a committee. He said many people think it will help the public understand what is involved in the stock brokering.

Obuchi said it may not be desirable for the Finance Ministry to be the public organ that both grants licenses to securities companies on the one hand and inspects them on the other. He said it will be necessary to set up an independent organ to oversee the stock market.

More on Obuchi Remarks

OW3107125291 Tokyo KYODO in English 1238 GMT 31 Jul 91

[Text] Fukuoka, July 31 KYODO—A top official of the ruling Liberal Democratic Party (LDP) on Wednesday called for tightening the clampdown on questionable business deals in the financial world by establishing an independent watchdog with no links to the Finance Ministry.

Keizo Obuchi, LDP secretary general, said the government "should deal with the securities scandal by creating an organization of independent character to regulate not only the securities industry but the banking and life insurance industries."

Obuchi made the statement at a lecture meeting here of local business leaders.

"I question the wisdom of having the Finance Ministry inspect and monitor (the business activities of the securities industry), as the ministry is commissioned to foster the industry through its authority to issue or revoke licenses to brokerages," he said.

The ministry has recently drawn public criticism for its lax regulations regarding the securities industry's stock and bond investment loss reimbursements after Yoshihisa Tabuchi, ex-president of Nomura Securities Co., charged that the ministry knowingly allowed brokerages to cover the losses of their favored corporate clients.

Tabuchi earlier told a Nomura shareholders' meeting that the reimbursement scheme was "not loss compensation, because Nomura had spoken to the ministry about it beforehand and the ministry had 'approved it'."

This allegation provoked a strong refutation by Finance Minister Ryutaro Hashimoto, who countered that the ministry was unaware of Nomura and Nikko securities' transgressions.

Obuchi suggested his hope that former Prime Minister Noboru Takeshita would become prime minister again because of what he claimed was his high popularity overseas. Takeshita fell from grace in mid-1989 due to the recruit bribery scandal.

Obuchi also said Hiroshi Mitsuzuka, former chairman of the LDP's Policy Research Council, and former Finance Ministers Kiichi Miyazawa and Michio Watanabe may run for the LDP's presidency in autumn. Prime Minister Toshiki Kaifu will end his tenure as LDP president in October.

He said he had advised Kaifu recently to carry out political reform without thinking about trying to survive as prime minister.

Tax Agency Penalizes Firms

OW3107125991 Tokyo NHK General Television Network in Japanese 1000 GMT 31 Jul 91

[Text] The National Tax Administration Agency [NTAA] today imposed penalty taxes on second-tier securities companies for their failure to declare taxable income in connection with compensation paid to their major clients for losses in stock investment.

It has already been revealed at an earlier meeting of the Lower House Finance Committee that six second-tier securities firms had paid a total of 35 billion yen to important clients to compensate for their losses. The NTAA imposed penalty taxes on them on the grounds that the compensation they paid falls under the category fo an expense account.

Five of the comapnies said that they were notified of the NTAA penalties today. They are Kankaku Securities, Sanyo Securities, Wako Securities, Tokyo Securities, and Mito Securities.

Of the second-tier firms, New Japan Securities and Kokusai Securities have already been dealt punitive measures by the national tax administration authorities. Hence, the latest action almost completes rectification measures taken by tax authorities against second-tier securities companies.

Finance Ministry Calls for Cut in Spending

OW3007135391 Tokyo KYODO in English 1248 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—The Finance Ministry asked ministries and agencies Tuesday to cut low priority expenditures in Fiscal 1991 by 10 percent to help ease pressure on the budget, ministry officials said.

It is the first time in nine years that the ministry has sought a 10 percent cut in such spending.

The ministry officials cited the swollen balance of government bonds which is expected to reach 168 trillion yen at the end of the current fiscal year and an extra outlay of 200 billion yen to support the U.S.-led multinational forces in the Persian Gulf war.

Japan contributed a total of 9 billion dollars to support the operation to force Iraq to withdraw from Kuwait.

The Finance Ministry said it sought the cooperation of ministries and agencies to withhold low priority administrative expenditures such as those for travel and procurement of equipment.

The ministry said the request can save about 60 billion yen in government spending during the year ending next March 31.

The request did not cover public works spending, the ministry said.

The ministry said at the same time that government-run research organizations were asked to slash their expenditures by 5 percent.

Social Democratic Party Opens 2-Day Convention

OW3007141391 Tokyo KYODO in English 1327 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—The Social Democratic Party (SDP) on Tuesday unanimously endorsed a party reform plan which virtually recognizes the existence of the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty.

About 600 delegates agreed to adopt the reform plan after minor changes in wording were made on the SDP's new basic policies.

SDP Vice Chairman Wataru Kubo, replying to questions from delegates on the opening day of a two-day extraordinary party convention, said the plan does not violate the founding principles of the party or those of the war-renouncing Consititution.

"The SDP is always a party protecting the Constitution," Kubo said.

The reform plan, released on June 19, calls for "gazing straight at the existence of the Japan-U.S. Security Treaty." The plan said the party will make every effort to create circumstances to make the treaty unnecessary.

The plan recognizes the right of self-defense and proposes rearranging the Self-Defense Forces into a national guard.

The SDP, Japan's largest opposition party, earlier argued for abolishing the Japan-U.S. Security Treaty and for disbanding the Self-Defense Forces.

Makoto Tanabe, who assumes leadership of the party on Wednesday, headed the party reform committee which worked out the plan.

During discussions on the plan, Shoshi Aikawa, a delegate from Saga Prefecture, accused party leaders of amending the SDP's basic policies renouncing the SDF and Japan-U.S. security arrangements.

The party's ordinary political functions rather than its basic policies are to blame for the crushing defeat in the nationwide local elections last April, Aikawa said.

A policy reform committee was set up the next month in response to the defeat.

Shuo Matsubara, a representative of Nara Prefecture, said the reform plan embodies the party's long-term strategy for ending the ruling Liberal Democratic Party's monopoly on power.

Policy Chairman Elected

OW3107081991 Tokyo NHK General Television Network in Japanese 0300 GMT 31 Jul 91

[Text] This afternoon the extraordinary party convention of the main opposition Social Democratic Party of Japan [SDPJ] will elect new members of the party executive to be led by Makoto Tanabe. Of two posts being decided on by both Lower and Upper House members affiliated with the SDPJ, Tomiichi Murayama was elected chairman of the Diet Policy Committee by a large margin, defeating Isamu Shimizu who was backed by Makoto Tanabe.

The extraordinary party convention is scheduled to elect new members of the party executive. However, the chairmen of the Policy Board and the Diet Policy Committee will be elected by both Lower and Upper House members.

Applications for chairmanship of the Diet Policy Committee were received from 0900 today. Tomiichi Murayama and Isamu Shimizu vied for the post. In the election, Murayama was elected with 132 votes against Shimizu's 56 votes.

Meanwhile, Masaru Hayakawa was elected unopposed to the chairmanship of the Policy Board.

New Deputy Leaders Appointed

OW3107062091 Tokyo KYODO in English 0441 GMT 31 Jul 91

[Text] Tokyo, July 31 (KYODO)—The Social Democratic Party (SDP) on Wednesday unanimously appointed four deputy leaders to serve under Makoto Tanabe, the new party chairman.

Yaeko Itohisa is the sole woman among the four deputy leaders, assuming the post of vice chairwoman of the Central Executive Committee of Japan's top opposition party.

Torao Takazawa, Rikyu Shibusawa, and Shigeru Ito also were appointed vice chairmen of the 27-member committee.

The four were appointed by consensus without a vote at the two- day special party convention, which ends later Wednesday.

The SDP also appointed Tomiichi Murayama chairman of the party's Diet Affairs Committee, the chief parliamentary strategist.

Tanabe, as new party leader after Takako Doi, assumes the chairmanship of the Central Executive Committee.

Convention Concludes

OW3107081691 Tokyo KYODO in English 0751 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Makoto Tanabe on Wednesday assumed the chairmanship of the Social Democratic Party (SDP) and launched a new 32-member leadership body, the central executive committee, maintaining an equilibrium of power between left-, center-, and right-wing party factions.

Some 550 delegates from across the country endorsed the election of Tanabe as the 11th head of Japan's largest opposition party before closing a two-day extraordinary convention.

Tanabe, 69, who was vice chairman under Takako Doi and was regarded as leader of a right-wing group, picked Sadao Yamahana, a center leftist, for the party's No. 2 post of secretary general.

Yamahana, 55, was deputy secretary general under Tsuruo Yamaguchi, who was secretary general for about five years under Doi.

Tanabe, a 10th term veteran parliamentarian, won a party leadership election July 21-22 by the party's 120,000 rank-and-file members, beating rival candidate Tetsu Ueda, 63. He won 56 percent of votes against Ueda's 44 percent.

The party convention named four people to the post of vice chairman and chairwoman. Yaeko Itohisa, 59, who is regarded as a rightwinger, is the only woman among the four deputy leaders.

The three new vice chairmen were Torao Takazawa, 64, a leftist, Rikyu Shibuzawa, 63, a rightwinger, and Shigeru Ito, 63, a centrist.

There was no voting for the posts of secretary general and the vice chairmen.

The party's de facto No. 3 post, chairman of the Diet Affairs Committee, who serves as the chief parliamentary strategist, went to Tomiichi Murayama.

Murayama, 67, won the position in an election among the party's Diet members, defeating rival candidate Isamu Shimizu 132-56.

Masaru Hayakawa, 50, was elected chairman of the policy board, filling the post Shigeru Ito left to become a party vice chairman.

Chuji Ito and Katsusuke Ozawa were elected to fill the party's two deputy secretary general posts. The third candidate, antimainstream faction member Masao Yoshida, was rejected.

Tanabe paid consideration to balance among left and right wings and women's groups in the party, political analysts said.

At the closing stage of the convention, delegates adopted a declaration calling on party members to make every effort to pave the way for seizing power from the Liberal Democratic Party (LDP), which has ruled Japan since 1955.

The declaration said the SDP is standing at a new starting line by its endorsement of a reform plan. The convention endorsed the reform plan Tuesday night after modifying it.

The original reform plan called for the virtual recognition of the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty. But the convention toned down the plan's wording on the two issues.

The declaration urged party members to strengthen political movements to "realize more freedom and democracy...human rights and a better environment, along with pacifism and international harmony."

The declaration also said the party will give SDP parliamentary members more power to decide on party policies.

The party's outgoing chairwoman Doi, 62, resigned to take responsibility for the party's defeat in nationwide local elections in April. She was the first woman to head a major Japanese political party.

New party leader Tanabe was until recently leader of the SDP's largest intraparty group, Suiyokai. He was first elected to the House of Representatives in 1960 from Gunma Prefecture, north of Tokyo. He has been returned to the house nine times.

Tanabe was secretary general under Doi's predecessor, Masashi Ishibashi, between 1982 and 1986, and had been a party vice chairman since April 1990.

Tanabe led a party delegation that visited North Korea last September together with an LDP delegation led by conservative strongman Shin Kanemaru.

At that time, the SDP, the LDP, and the ruling Korean Workers Party issued a joint declaration urging their governments to quickly establish diplomatic ties.

Tanabe Welcomes Reform Plan

OW3107103091 Tokyo KYODO in English 0921 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—New Social Democratic Party (SDP) Chairman Makoto Tanabe on Wednesday praised the adoption of a party reform plan despite the toning down of its wording on the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty.

The reform plan, approved at a party convention Tuesday, did not change the main framework of the original one, which recognizes, in principle, the existence of the SDF and the treaty, Tanabe said.

Tanabe, 69, was speaking at a press conference shortly after Japan's largest opposition party ended a two-day extraordinary party convention.

Tanabe, an intraparty right-wing leader, said the revised reform plan will not stop the party from cooperating with other opposition parties.

The party convention endorsed the reform plan Tuesday after making some changes to wording and phrases concerning the SDF, Japan-U.S. Security Treaty and nuclear power plants.

The revised plan dropped an expression in the original reform plan about the Japan-U.S. Security Treaty which referred to "making efforts to help create international circumstances which do not need such a treaty."

It also deleted a phrase stating that the party wll pursue the right of self-defense for the country "without resorting to military means as far as possible."

Tanabe said that the SDP will construct friendly relations with other opposition parties to break the monopoly of power by the ruling Liberal Democratic Party (LDP), which he said has created a sense of distrust in politics among the Japanese people.

Referring to the extraordinary Diet session set to start on August 5, Tanabe said parliament should, first of all, deliberate the widening brokerages scandal.

The country's four largest brokerages—Nomura, Nikko, Daiwa and Yamaichi Securities Companies—are under fire for paying 128 billion yen between 1987 and 1990 to favored clients who suffered losses on the stock and bond markets. Nomura and Nikko are also accused of their links with the second yakuza organization, Inagawa- kai.

Tanabe said the SDP attaches importance to Japan-U.S. relations.

But he said the party will seek other ways of building good relations between the two countries, different from the line the LDP government has taken. He did not elaborate.

Prior to the press conference, Tanabe addressed the closing day session of the convention and said the party will cooperate with other opposition parties in an effort to win victory in the House of Councillors election in the fall of 1992.

NEC, Omron Cooperate on Chip Development

OW3007130991 Tokyo KYODO in English 0912 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—Nec Corp. and Omron Corp. jointly announced Tuesday they are joining forces to popularize fuzzy logic chips in the Japanese and overseas semiconductor markets.

The partnership calls for merging Omron's fuzzy inference technology with NEC's semiconductor know-how to develop fuzzy logic support systems and microcomputers for use in a wide range of exotic products.

The two firms will also sell the products through their respective sales channels worldwide.

Hajime Sasaki, senior vice president of NEC, said "Omron's lead in fuzzy inference technology and its transport into our microprocessors will optimize the use of this technology."

Omron's senior managing director Isao Hatano said, "The joint development of a fuzzy support system and software for NEC's microprocessors will enable us to popularize the technology in the marketplace."

These microprocessors, the heart of electronics appliances, mimic the human brain by making logical decisions based on inferences from a vast amount of data.

The specific agreement calls for Omron to provide NEC with technical data on the fuzzy knowledge data development tools and fuzzy inference modules as well as related patents.

They will also seek to standardize products and software to create a common environment for users.

NEC will develop and produce fuzzy inference modules adapted to its own 4-bit 75X series microprocesso by November 1, 1991 and 8-bit 78k series microcontrollers by January 1992.

Omron will develop and produce the compiler for both NEC microprocessors at the same time. It also will market the microprocessors, selling the company's fuzzy application software under its own brand name.

In Japan, the fuzzy logic chip market emerged several years ago, adopted for use in home appliances, office and factory automation products, and automobiles.

Overseas markets have yet to appear, said Hatano. He sees that changing, however.

"Recently, some foreign manufacturers have made strong approaches for these products," Hatano said.

NEC expects its fuzzy logic business to grow to 1 billion yen in Fiscal 1992 and expand to about 10-20 billion yen by Fiscal 1995.

Sasaki of NEC said that the fuzzy logic products will work with the company's NEC 9800 series personal computers and be compatible with International Business Machines Co.'s PC-AT computers.

Mongolia

MPRP Plenum Opens 29 Jul; Party Chief Speaks

OW2907121391 Beijing XINHUA in English 1155 GMT 29 Jul 91

[Text] Ulaanbaatar, July 29 (XINHUA)—The Mongolian People's Revolutionary Party (MPRP) Plenum opened here today, with party Chairman Budragchaagiyn Dash-Yonden vowing to build a happy society for every Mongolian through the present "irreversible reform" across the country.

"We have no route of retreat. We can't go back to the old system of bureaucracy, which we have repudiated.

"Nor can we retrace the dirty steps the developed nations took in the 18th and 19th centuries," Dash-Yonden told the plenum scheduled to last for two days.

He called on Mongolians to play a decisive role in solving their own crisis, saying "the country will suffer a further decline" if it had to act on the expression of others, and depended on others.

He said MPRP would struggle against oppression, exploitation and social polarization in the process of privatization.

He also pledged to keep the best relations with China and the Soviet Union, the country's two big neighbours.

Plenum Concludes

OW3007171991 Beijing XINHUA in English 1609 GMT 30 Jul 91

[Text] Ulaanbaatar, July 30 (XINHUA)—The Central Committee of the Mongolian People's Revolutionary Party (MPRP) ended its two-day plenum today, with Party Secretary of Ulaanbaatar Jigjidsurengiyn Yadamsuren elected into the Presidium of the MPRP's Central Committee.

The plenum adopted three documents, including the party's opinion on the draft constitution of the country and rules governing the work of the party's Central Committee.

North Korea

Attitude of U.S. Toward Denuclearization Viewed

SK3107034291 Pyongyang Korean Central Broadcasting Network in Korean 0022 GMT 31 Jul 91

[NODONG SINMUN 31 July commentary: "Realistic Proposal for Denuclearization"]

[Text] Proceeding from its sincere desire to remove the daily- increasing danger of nuclear war on the Korean peninsula, the DPRK Government on 30 July put forward in the form of a Foreign Ministry statement a new proposal for the denuclearization of the Korean peninsula. Our new proposal includes most reasonable and realistic measures for basically removing the danger of nuclear war on the Korean peninsula.

Denuclearization of the Korean peninsula can be realized only through the joint efforts of the North and the South. This cannot be consolidated without legal guarantee by the United States and the nuclear weapons states neighboring the Korean peninsula.

Thus, the new proposal put forward by the Government of the Republic includes the North and the South of Korea agreeing on the establishment of a nuclear-free zone on the Korean peninsula and making a joint declaration thereof; the United States, and the Soviet Union and China, the nuclear weapons states neighboring the Korean peninsula, legally guaranteeing the nuclear-free status of the Korean peninsula, once an agreement is reached and a declaration adopted to this effect; and the nonnuclear weapons states in Asia supporting the conversion of the Korean peninsula into a nuclear- free zone and respecting its nuclear-free status.

The Government of our Republic has declared that it is ready to hold bilateral and multilateral negotiations at any time to discuss establishing a nuclear-free zone on the Korean peninsula.

Our current proposal reflects the antinuclear, peace-loving position of the Government of our Republic and our people to permanently remove the danger of nuclear war on the Korean peninsula by realizing the denuclearization of the Korean peninsula at an early date and to rescue mankind from the nuclear threat.

Today, the Korean peninsula is seen by the world as presenting the greatest danger of a nuclear war throughout the world. The colossal numbers of nuclear weapons deployed by the United States on the soil of South Korea are ready to vomit fire against our Republic and other Asian nations.

If a nuclear war breaks out in Korea, it will inflict grave disaster not only on our people, but the Asian people. Guaranteeing peace on the Korean peninsula by removing the danger of a nuclear war is not only a vital question related to our people's destiny, but a most urgent demand for guaranteeing peace and security in Asia.

Proceeding from its noble desire to contribute to the cause of peace on the Korean peninsula and in Asia, the Government of our Republic has already put forward a series of peace proposals including the proposal for establishing a nuclear-free, peace zone on the Korean peninsula, and made every sincere effort toward achievement.

This notwithstanding, the United States and the South Korean authorities have ignored all our peace proposals, increased nuclear arms in South Korea, and strengthened their nuclear-threat policy against us.

Despite changes in the situation in different parts of the world, the situation continues to be aggravated—far from being alleviated—on the Korean peninsula and the danger of a nuclear war constantly is increasing.

Thus, the Government of our Republic again put forward a new realistic proposal for the denuclearization of the Korean peninsula.

The proposal of our Republic is of great significance in removing the nuclear threat against us and in strengthening the nuclear nonproliferation system on the Korean peninsula. Furthermore, this proposal will substantively contribute to guaranteeing durable peace and security in Asia and the world.

Our new proposal is a fair and just proposal which can be accepted by all of the concerned parties who are responsible for realizing the denuclearization of the Korean peninsula.

If the South Korean authorities truly want to strive for the nation's security and peace, they should immediately respond to our proposal. The United States has recently taken the position basically not to oppose the establishment of a nuclear-free zone with the condition that the relevant parties reach agreement and has expressed its support for the proposal to establish nuclear-free zones in a series of areas.

Under these circumstances, the United States has no reason and excuse not to respond to our new proposal. The question depends on the attitude of the United States and the South Korean authorities.

The United States and the South Korean authorities should respond to our new proposal for denuclearization of the Korean peninsula and should take steps for the withdrawal of nuclear weapons from South Korea. We will in the future, too, exert all effort for the denuclearization of the Korean peninsula and will closely watch the attitude of the United States and the South Korean authorities.

Sri Lanka Party Supports Seoul's Nuclear Stand

SK3107054291 Pyongyang KCNA in English 0414 GMT 31 Jul 91

["General Secretary of Sri Lanka Communist Party Demands Withdrawal of Nukes From South Korea"—KCNA headline]

[Text] Pyongyang July 31 (KCNA)—K.P. Silva, general secretary of the Central Committee [C.C.] of the Sri Lanka Communist Party, contended that if the danger of nuclear war is to be removed from the Korean peninsula and Asia, it is necessary to get the U.S. nuclear weapons, the source of nuclear war, withdrawn from South Korea and turn the Korean peninsula into a nuclear-free, peace zone.

In a solidarity letter to the C.C., the Workers' Party of Korea supporting the joint statement of the political parties and public organizations of the DPRK, he said the Sri Lanka Communist Party regards the question of removing the nuclear threat from the Korean peninsula as a matter of vital importance which is related not only to the destiny of the Korean people, a homogeneous nation, but also to the urgent requirement of the cause of peace in Asia and the rest of the world.

The nuclear weapons stockpiled by the United States in South Korea are a factor that poses a grave menace to the survival of Korea itself and to peace and security in the Asian Continent and the rest of the world, the letter noted.

Noting that the nuclear war games the United States is staging with the South Korean authorities annually furnish clear proof of their threats and blackmail aimed at establishing domination over Asia and the Pacific, it said such military moves would only result in further aggravating the situation in Korea.

The Sri Lanka Communist Party will make all efforts to attain the common goal of removing nuclear threats, the letter stressed.

Letter to South Professor Sent Via Red Cross

SK3007113091 Pyongyang KCNA in English 1016 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society, at the request of Kim Chang-won, director of the Institute of Philosophy of the Academy of Social Sciences, handed a letter addressed to Prof. So Kwang-hui of Seoul National University who is chairman of the preparatory committee of the "Korean National Conference of Philosophers" to the South Korean Red Cross at the conference room of the Neutral Nations Supervisory Commission at Panmunjom at three this afternoon.

The letter says:

We think that for Korean scholars at home and abroad to sit together and discuss philosphical problems of the nation's common concern is of very great importance either in view of the mission of philosophy to contribute to the shaping of the destiny of humanity or in view of the duty of our philosophers to promote the reunification of the country, at a time when the nation's fervour for reunification is higher than ever before.

Considering it is a good thing that your side specially arranged the fourth sub-committee "Chuche Idea and Change of Times" and asked our scholars to publish their theses there, we notify you that ten scholars will go to Seoul and participate in the forum as your side invited.

Our delegation will be accompanied by five support personnel and five reporters.

Suggesting that the name of the conference of philosophers should be "pan-national conference of philosophers" either in view of the nature and significance of the conference or in view of the expectation of the entire nation, I hope that your side will promptly inform me of its position toward my suggestion.

Preliminary Talks for Educators Rally Proposed

SK3107112091 Pyongyang KCNA in English 1045 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—Choe Kum-sun, chairman of the Central Committee of the Trade Union of Educational and Cultural Workers of Korea, in a letter addressed to Yun Yong-kyu, chairman of the South Korean National Teachers Union (Chongyojo), today proposed to have preliminary talks early in August to open "a pan-national rally of educationists for reunification".

We will follow your decision as regards the concrete date and venue of the preliminary talks, says the letter.

It recalls that despite sincere efforts of both sides a working-level contact between delegates of the North and the South for holding the August 15 "pan-national rally of educationists for reunification" which was initiated by Chongyojo last year has not yet been held due to repeated obstructions by the South Korean authorities.

Stressing that the August 15 "pan-national rally of educationists for reunification" must be brought to a success on all accounts, the letter expresses the belief that the educationists of Chongyojo will surely come out to the negotiating table for preliminary talks with an unshakable will and conviction for reunification, however thorny the path to the meeting of educationists in the North and the South may be.

South's 'Political Terrorist Move' Denounced

SK3007070091 Pyongyang KCNA in English 0458 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—The No Tae-u ruling group in the false "results of investigation" called "entire picture of Chondaehyop [National Council of University Student Representatives]" made public by the "security planning board" branded Chondaehyop as an organisation which takes up with the "assertion of the North" and is masterminded by Hanminjon ("South Korean National Democratic Front") and Jusapa ("Chuche Idea Group") and charged that the organisation is attempting to "overthrow the system" with financial assistance from Chongnyon [General Association of Korean Residents in Japan] and the overseas headquarters of Pomminnyon [Pannational Federation for Reunification].

This is a base plot and an open political terrorist move to destroy and stamp out Chondaehyop, says NODONG SINMUN today in a signed commentary.

To try to link the activity of Chondaehyop with us is an intrigue to crack down upon the organisation and a sophism to justify the reactionary suppression offensive, the paper points out, and goes on:

Any outcry intended to link the independent activity of Hanminjon, a vanguard organisation of the South Korean people, with us is a logic of treachery, fascism and division which will not go down with anyone.

It is preposterous that the No ruling group branded Chondaehyop as an "organisation benefiting the enemy" under the pretext that the new year letter of Chondaehyop is similar to the new year message of Hanminjon in content.

Is there anything wrong if the assertions of fellow countrymen regarding the vital affairs of the nation including national reunification are similar and why is it a crime if the assertions are right?

By conducting a smear campaign against Chondaehyop all at once the No ruling group is trying to libel Chondaehyop, which plays a resolute and nuclear role always in the struggle for independence, democracy and reunification, as an "organisation to overthrow the system" linked with us and thus destroy and cross out Chondaehyop itself and crack down upon the student movement overall.

But the authorities' new reactionary offensive to strike out Chondaehyop will invite the strong resistance of one million students and the South Korean people.

MINJU CHOSON in a signed commentary says that the South Korean authorities' repressive outrage against the pro-reunification and democratic forces clearly shows to what extent their fascist "security-oriented rule" has gone.

People in South Said To Support Reunification

SK3007154491 Pyongyang KCNA in English 1501 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—South Korean people fully support the proposal to reunify the country through a confederacy and the epoch-making proposal to convene a political consultative conference for national reunification advanced by the great leader President Kim Il-song.

A company clerk surnamed Choe in Kuro industrial zone, Seoul, said it is the unshakable will of President Kim Il-song, the lodestar of reunification, to realize national reunification by means of establishing a democratic confederal republic of Koryo [DCRK] through the unity of the whole nation.

The proposal for reunification through confederacy based on the three principles of independence, peaceful reunification and great national unity, clarified by President Kim Il-song is a most fair, reasonable and realistic one acceptable to all of the Korean nation born in this land, he stressed.

A university professor in Seoul said the proposal for reunification through confederacy put forward by the great leader is very ideal in defining the orientation of a reunified country and the most correct proposal for our nation to unite to achieve reunification. He added:

The proposal for founding the DCRK advanced by President Kim Il-Song must be realized for putting an end to the tragedy of division and achieving national reunification, the cherished desire of the nation.

A member of an organisation under the Seoul city committee of the South Korean National Democratic Front has this to say:

President Kim Il-song proposed to convene a political consultative conference for national reunification in which the authorities and representatives of political parties and organisations in the North and the South would sit together to define the way of national reunification at an early date in order to reach a consensus of the whole nation on the way of national reunification, saying that to reunify the country through a confederacy based on one nation, one state, two systems and two governments is the great principle of the way of national reunification suitable to the reality of our country.

The president's proposal for convening the political consultative conference is one that can help define the most correct way of reunification. And the proposal for reunification through a confederacy is the only and best way for national reunification under the present conditions of the North and the South.

South Prime Minister's 'Dialogue' Viewed

SK3107065591 Pyongyang KCNA in English 0457 GMT 31 Jul 91

["Repression Is Not Way Out"—KCNA headline]

[Text] Pyongyang July 31 (KCNA)—South Korea's puppet prime minister at a "dialogue with people" at Sokcho, South Korean Kangwon Province, blared that the "seditious forces following the chuche idea or seeking to overthrow the system" and the forces causing "violent labour-management disputes" would be sternly dealt with.

NODONG SINMUN today brands this as an open declaration of a scheme to ruthlessly suppress and stifle the South Korean students and people calling for independence, democracy and reunification and the workers demanding vital rights including wage hike by branding them as "seditious forces seeking to overthrow the system."

The news analyst says:

Chong Won-sik's outburst at Sokcho reveals his true color as a fascist tyrant estranged from the people.

No matter how desperately Chong Won-sik may wield the bayonet, the position of the South Korean "regime" driven into a hopeless crisis cannot be improved.

He had been bitterly humiliated by students for his crimes when he went to University of Foreign Studies to give a "lecture." The students condemned him as the sworn enemy, hurled addled eggs and flour at him, pulled him down from the lecture platform and threw him out of the gate.

Judging from the fact that he still makes fascist outcries, forgetting his bitter experience, it seems that he needs more flogging.

His outburst shows that the nature of dictator does not change.

Caught up in a serious crisis in face of the people's movement for independence, democracy and reunification mounting with the approach of August 15, the South Korean rulers are trying to find a way out in fascist repression. But this is a miscalculation. Repression can never give the puppets a way out.

North Proposes Fifth Round of Sports Talks

SK3107051891 Pyongyang KCNA in English 0501 GMT 31 Jul 91

["Fifth North-South Sports Talks Proposed to South Side"—KCNA headline]

[Text] Pyongyang July 31 (KCNA)—Kim Hyong-chin, head of the North side's delegation to the North-South sports talks, proposed to the South side to hold the fifth round of North-South sports talks at Tongil Pavilion in our side's portion of Panmunjom on August 17 after the August 15 pan-national rally.

In his telephone message to Chang Chung-sik, senior delegate of the South side's delegation to the North-South sports talks, on July 31 he said that sportsmen in the North and the South should continue to make efforts without interruption to contribute to achieving national unity and accelerating reunification in the future, too, drawing on the experience in taking part in international games by forming the first unified teams. He noted:

These days, in South Korea, those related to Pomminnyon, a nationwide organisation of the reunification movement, and members of Chondaehyop are being bestially suppressed and anti-reunification actions to foil the '91 pan-national rally and the grand reunification festival of students which will be reunification festivities common to the nation are being committed more wantonly than ever before contrary to the desire of our sportsmen for reunification. This gives rise to deep concern and resentment of the whole nation.

If the sports talks are to truly contribute to national unity and reunification and produce good fruits, the anti-reunification actions in suppressing pro-reunification democratic forces must be discontinued in South Korea at once and an atmosphere favourable to talks be created.

Seminar Held in South on North's Philology

SK3107065291 Pyongyang KCNA in English 0421 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—South Korean linguists gathered at a hall in Seoul some time ago to hold a seminar on the subject "Study of North's Philology" the South Korean newspaper HANGUK ILBO reported.

Publishing the results of "Studies of the Phonological Structure of Cultured Korean Language, the Standard Language," Prof. Kim Cha-kyun of Chungnam University said "in the North they found the excellence of mother tongue and exerted efforts to reject dogmatism and reflect patriotism in their studies of the national language, thereby making a contribution to the discovery of the phonological characteristics of mother tongue."

He deplored that "in the South they follow the foreign phonological theory rather than the phonological practice of mother tongue."

Officials View Film at Chinese Embassy

SK3007065591 Pyongyang KCNA in English 0451 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—A film show was arranged at the Chinese Embassy in Pyongyang on July 29.

Invited there were Kwon Min-chun, vice-director of a department of the Central Committee of the Workers' Party of Korea, Cha Pong-chu, vice-minister of foreign affairs, Kim Chong-u, vice-minister of external economic affairs, Cha Sung-su, vice-chairman of the DPRK Radio and Television Broadcasting Committee, Sin Anpang, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, and other officials concerned.

Chiang Zhengcai, charge d'affaires ad interim of the Chinese Embassy, was on hand.

The participants saw a Chinese feature film "Mao Zedong and His Son".

WPK Committee, Choe Tae-pok Leave for PRC

SK3007112891 Pyongyang KCNA in English 1014 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Choe Tae-pok, alternate member of the Political Bureau and secretary of the Party Central Committee, left here today to visit China.

The delegation was seen off at the airport by Kwon Min-chun, vice-director of a department of the WPK Central Committee, and Chiang Zhengcai, charge d'affaires ad interim of the Chinese Embassy in Pyongyang.

Soldiers Mark Chinese Army's 64th Anniversary

SK3007112291 Pyongyang KCNA in English 1021 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—A soldiers meeting marking the 64th anniversary of the founding of the Chinese People's Liberation Army was held today at the KPA unit to which Comrade Kim Yun-sim belongs.

Present there on invitation were Charge d'Affaires Ad Interim Chiang Zhengcai, military attache Yin Guangtao and officials of the Chinese Embassy here.

Speeches were made at the meeting.

Party, Government Delegation Leaves for Cuba

SK3007111191 Pyongyang KCNA in English 1012 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—A Korean party and Government delegation led by Kang Hui-won, alternate member of the Politburo of the C.C. [Central Committee], the Workers' Party of Korea and vice-premier of the Administration Council, left here today for a visit to Cuba.

It was seen off at the airport by Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee, Song Ho-gyong, vice-minister of foreign affairs, and other officials concerned and Juan Jose Leon Vega, Cuban ambassador to Korea.

Iranian Sports Delegation Arrives 29 Jul

SK2907154191 Pyongyang KCNA in English 1513 GMT 29 Jul 91

[Text] Pyongyang July 29 (KCNA)—A delegation of the Physical Training Organisation of the Islamic Republic of Iran led by Vice-President Dr. Hasan Ghafuri-fard, chairman of the organisation, arrived in Pyongyang today for an official goodwill visit to Korea upon the invitation of the DPRK Government.

It was met by Vice-President Yi Chong-ok, chairman of the State Physical Culture and Sports Commission Kim Yu-sun, Charge d'Affaires ad Interim of the Iranian Embassy here Hamid Malek-Abadi as well as a large number of working people in the city.

A welcome function took place at the airport.

Holds Talks With Yi Chong-ok

SK3007111291 Pyongyang KCNA in English 1010 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—Vice-President Yi Chong-ok today met and had a friendly conversation with Hasan Ghafuri-fard, vice-president and chairman of the Physical Training Organization of Iran who is heading a delegation of the organization, when the latter paid a courtesy call on him.

On hand were Chairman of the State Commission of Physical Culture and Sports Kim Yu-sun, the members of the Iranian delegation and Charge d'Affaires ad Interim of the Iranian Embassy here Hamid Malek-Abadi.

Honored at Reception 30 Jul

SK3107055991 Pyongyang KCNA in English 0430 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—The Government of the Democratic People's Republic of Korea gave a reception at the Mansudae Assembly Hall Tuesday in honour of the delegation of the physical training organization of Iran headed by Hassan Ghafori Fard, vice-president of the Islamic Republic of Iran and chairman of the organization, now on an official goodwill visit to Korea.

Vice-President Yi Chong-ok and officials concerned were present at the reception.

Kim Yu-sun, chairman of the State Commission of Physical Culture and Sports, said in his speech that the Korean people set great store by the tight bonds of friendship and cooperation with the Iranian people which have been established on the common front of the anti-imperialist, anti-U.S. struggle for independence and deem it a pleasure to have them as a close friend.

He appreciated the great successes the Iranian people are registering in the fulfilment of the first five-year plan for the consolidation of the victory of the Islamic Revolution and the reconstruction of the country, while valiantly repulsing all the aggressive and interventionist moves of the U.S.-led imperialists.

He expressed firm solidarity for the Iranian people's struggle to achieve a durable peace and security in the Persian Gulf, saying all the foreign forces bossed by the U.S. imperialists must be withdrawn from this region and peace be achieved there.

Hassan Ghafori Fard said the struggle against imperialism is common to the peoples of Iran and Korea. This struggle and resistance represent the unbreakable will of the peoples of the two countries who are fighting the dominationist and aggressive foreign forces and reflect bravery, self- sacrificing spirit and independence, he said.

The policy of the Islamic Republic of Iran is to support reunification of the two parts of the Korean Peninsula on the basis of the desire and will of the Korean people, he noted, adding: The recent decision of your country to join the United Nations, too, enjoys our assurances and support.

Friendship and cooperation of the past period between the Islamic Republic of Iran and the Democratic People's Republic of Korea have made it possible to further expand and develop bilateral relations today, and we hope this friendly visit of ours will mark a positive progress in promoting bilateral cooperation still further, he concluded.

Yi Chong-ok Meets With Indonesian Ambassador

SK3007111391 Pyongyang KCNA in English 1011 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—Vice-president Yi Chong-ok July 30 met and had a conversation with R. Muhamed Muharam Sumadipraja, Indonesian ambassador e.p. to Korea who paid a courtesy call on him.

Yi Chong-ok Meets With Egyptian Ambassador

SK3107105991 Pyongyang KCNA in English 1034 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—Vice-president Yi Chong-ok met and conversed with Egyptian Ambassador Bahjat Ibrahim Disuqi who paid a farewell call on him at the Mansudae Assembly Hall today.

Vice-minister of Foreign Affairs Choe Su-hon was on hand.

'Traditional' Unity Between Army, People Viewed

SK2807053491 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 26 Jul 91

[Unattributed talk: "Fact That the Traditional Trait of Unity Between the Army and the People Is Being Highly Displayed Under Party's Leadership Is Our Great Pride"]

[Text] Today, our socialism is winning victory after victory, while fully displaying its invincible vitality. Even though it is carrying out the revolution face to face with the U.S. imperialists, our country is firmly maintaining independence and takes pride in being a powerful and dignified country, because the heroic Army and excellent people are devotedly upholding the party's leadership.

The great leader Comrade Kim Il-song has taught: For the Army and the people to love and positively help each other is our society's noble traditional custom.

Unity is basic to revolution, and what is important in achieving unity is for the Army and the people to be strongly united around the party. The party is the headquarters of the revolution, and the Army is the defender of the revolutionary cause. And, the popular masses are those who personally carry out revolution and construction. Therefore, if the socialist cause is to be completed to the end, the three must strongly prepare themselves and be strongly united into one, and in particular, the Army and the people must be strongly united based upon loyalty toward the party and the leader.

The invincibility of the socialist cause lies in the invincibility of the revolutionary forces, which are under the party's control, and in the solidity of blood ties between the Army and the people that are formed on the road to being boundlessly loyal to the party and the leader.

In our country, the traditional trait of unity between the Army and the people has been highly displayed since the period of the anti-Japanese revolutionary struggle and is more fully blossoming today.

For our Army and people to march forward to the victory of the revolutionary cause while helping and leading each other with a single desire to better defend the party's cause is a source of pride that only our Army and people have. The fact that such rock-solid single-minded unity between the Army and the people has been achieved is a source of pride, and just because this great unity exists, our party is strong, our country is powerful, and our socialism is displaying its invincible might.

The ideological and spiritual trait of our Army and people that are single-minded and strongly united in upholding the party is shown in the fact that the entire Army and all the people are thinking and acting only according to one idea, their party's idea. What is important in achieving firm unity between the Army and the people is achieving ideological and volitional unity. Only strong unity around one idea, the revolutionary idea of the leader [suryong], who is the founder of the party, state, and revolutionary forces, can beat any storm or wave and has eternal vitality.

Ever since the revolutionary cause was cultivated, our Army and people, considering the respected and beloved leader Comrade Kim Il-song's revolutionary idea, the great chuche idea, as a belief, have waged struggles and achieved the strongest ideological unity in this process. The great chuche idea is the only guiding principle on building our party and state, the revolutionary forces, and socialism. Our Army and people are carrying out all their struggles and activities to adhere to and implement this immortal revolutionary idea. The party's unitary ideological system is firmly established among our Army and people, and each and everyone of those in the Army and the people thinks and acts according to the demand of the chuche idea.

Because they consider only one idea, the chuche idea, as their firm belief, our Army and people are the strongest unified ideological and volitional body. Also, they are thinking and acting only for the sake of their noble struggle to defend the party.

The fact that our Army and people are strongly united ideologically and volitionally and are moving like one can be proven by the fact that they are struggling under such revolutionary slogans as "Let us defend the Party Central Committee led by the respected and beloved leader Comrade Kim Il-song even by risking our lives" and "What the party decides, we will do." These slogans are filled with the unanimous loyalty of our Army and people who are willing to resolutely defend their party and leader under any circumstances and fully display the spirit of incomparable devotion and popular heroism in upholding the party.

As long as the rock-firm unity between our Army and people—the firmest ideological and volitional unity in which the hearts of the two beat as if they were one and respond to the call of the party with a single voice when it comes to the defense of the party and leader—remains in place, our party's honor and dignity will always be lofty and all the plans worked out by the party will be transformed into great reality.

The noble trait of our Army and people who are making the might of the single-minded unity known under the leadership of the party is also fully expressed in the fact that the Army and people are satisfactorily carrying out in solid unity revolutionary tasks ordered by the party.

Our party has put in motion long-range operations in all areas of the revolution and construction, regardless of whether they are military construction or socialist construction and is now leading the struggle for their realization in the van of the struggle. Literally, our Army and people have now formed a perfect whole in the process of honoring our party's leadership as such.

Our people's unanimous conviction is that only when the military construction goes smoothly and the Army's fighting power is strengthened in all directions can the security of the fatherland and the cause of the party be defended and socialist construction be successfully accelerated. The unshakable faith of the men and officers of our People's Army is that only when the struggle for socialist construction waged by the people is successful will the country become wealthy and powerful and strengthen the revolutionary armed forces even further.

Because they are filled with such a single burning idea, anything that is designed to help the Army and strengthen the revolutionary Armed Forces is at once something to benefit the popular masses and any struggle waged with the purpose of helping the socialist construction mark a new upswing is at once a project to benefit the Army.

Such a noble trait has its full expression in the sites of the socialist construction where the creative and innovative spirit gains its wings.

The noble trait of our Army and people that are firmly united based on the loyalty to the party and leader can also be found in the fact that the people emulate the example of loyalty set by the Army and that the loyalty displayed by the people is being emulated by the Army.

Since the Army and people can fulfill their mission and duty as the reliable defender of the revolution and the powerful driving force behind the revolution only when they are under the leadership of the party and leader, they should always be boundlessly loyal to the party and leader under any adverse circumstances.

The course our Army has traveled is a history of great loyalty, and it was on this journey that a large number of heroes, known and unknown, who were boundlessly loyal and dutiful to the revolutionary leader were produced.

Indeed, our Army and people always remain united, without wavering or deviating even for a moment, while being boundlessly loyal to the party and leader, and the proud realities that have been brought to flower thanks to that very great single-minded unity are described in full.

Realities in our country—the people heap laudatory words on the Army and when the people visit the Army, the Army welcomes them as if they were blood relatives of the soldiers, to the point where they sing and dance together like family—are symbolic of the great unity between the Army and people, which is to be seen nowhere else in the world.

It is because the party and revolution are headed by a great leader that the Army and people in our country have formed rock-firm cohesion and unity unbreakable by any force on earth. Our people and all the officers and men of the Korean People's Army [KPA] have come to realize deep in their hearts through their protracted revolutionary struggle that our leader is great and that our party is also great, not to mention their firm conviction that when they are under the leadership of the respected and beloved leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, they are ever-victorious.

Because they are united on the basis of the pure form of loyalty that springs from the hearts of the people, not a product of any sense of duty, the single-minded unity between our Army and people is the most solid and absolute.

As long as such great cohesion and unity stay, the ultimate victory of our party's revolutionary cause, the chuche-oriented revolutionary cause, is certain to become a reality.

Construction of Power Stations Said Accelerated

SK3007080891 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 29 Jul 91

[Text] The construction of power stations is being vigorously carried out to strengthen the nation's economic power and to more properly guarantee the increasing demand for electric power for the national economy. Our party, which wisely led the struggle to create several million kilowatts of power generation capacity in the 1980's, put forward the goal of creating the power generation capacity for the 10 years of the 1990's, reaching two and one half times more than that of the previous period. Thus, our party encouraged the builders and soldiers of the People's Army to rise in the great construction battle.

According to the party's plan, 10-odd large-scale hydraulic and thermal power stations are being built in various places as the first stage of the goal.

Huge dams for power stations are being built along various rivers and streams including Namgang and Taeryonggang, and full scale projects for lockgates and generating facilities are being carried out.

At the construction site of thermal power stations, including Tongpyongyang, Nampo, Sariwon, and Kim Chaek, projects for construction of steel structure and boilers are being rapidly carried out.

Builders of the complex for construction of the Cheil hydraulic power station, who are in charge of the construction of the Namgang power station, introduced such reasonable construction methods as boldly remodeling the crane ramp for dam construction and the concrete infusion means. Thus, they placed concrete for 440,000 cubic meters and raised the height of dams scores of meters.

The builders and soldiers of the People's Army who are accomplishing feats in the construction of No. 5 Taechon power station designed effective assembling methods, including an on ground-expansion assembling method [chisang hwakdaesik chorip pangbob], and manufactured efficient tools and instruments. Thus, they assembled scores of floodgates for dams in a short period of time and are continuing a vigorous struggle.

The builders and soldiers of the People's Army who are assigned the construction of (Yongun) power station, Orangchon power station, and Kumyagang power station, are effecting an innovative success in all construction projects including dam construction and tunneling of water ways through a fierce wind of the speed battle.

Innovations are also constantly registered in the construction site of thermal power stations. The builders and soldiers of the People's Army at the construction site of Tongpyongyang thermal power station basically completed the construction of the main building and concluded erection of a boiler chimney more than 200 meters high. They built the No. 1 boiler, and are accelerating the assembling of No. 2 boiler in the final stage. They are also accelerating the assembling of facilities at the coal crushing site and construction of buildings.

The builders of the December thermal power station basically completed the construction of buildings including the generator room, the coal unloading site, and the chemical filtration plant, and assembled four

75-ton boilers. The builders of Sariwon thermal power station are accelerating the construction of buildings and are in the final stage of assembling the main bodies of two boilers.

The builders who are mobilized in the construction of thermal power stations in Haeju, Nampo, and Kim Chaek are carrying out the construction with high spirit from the beginning of the projects.

Shipyards Register 'Greater Achievements'

SK3107113991 Pyongyang KCNA in English 1011 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—Shipyards under the Ministry of Shipbuilding Industry of Korea are registering greater achievements in shipbuilding.

According to data available, shipyards in different places of the country have built many big and small ships including 6,000-ton docks and 1,000-ton fishing boats this year. And they have increased this month the speed of building 20,000- and 14,000-ton cargo ships and fishing boats of above 3,000 ton [word indistinct] 1.3 times that registered in the previous month.

The Hambuk shipbuilding complex which launched a 1,000-ton fishing boat in July is fulfilling its daily assignments in building a 20,000-ton cargo ship, several large fishing boats and freighters at 130 percent.

The Nampo shipbuilding complex, with a plan to complete a 3,750-ton fishing boat in a short time, has invented a new insulating material and introduced rational methods of work, thus markedly increasing the speed of shipbuilding.

Entering this month, the Wonsan shipyard has built several more tug boats than last month.

IAEA, UNDP Cooperate in Ultrasonics Course

SK3007102891 Pyongyang KCNA in English 1000 GMT 30 Jul 91

[Text] Pyongyang July 30 (KCNA)—The opening ceremony of a national training course on non-destructive testing ultrasonics level 2 was held here Monday with the cooperation of the United Nations Development Programme (UNDP) and the International Atomic Energy Agency (IAEA).

Present there were officials concerned, Henning Karcher, resident represenative of the UNDP, and officials of the UNDP mission here and Roy S Gilmour, a project expert of the IAEA, now staying in Korea.

Speeches were made at the ceremony.

The training course deals with genres of the methods of nondestructive testing by ultrasonics level 2 and their theoretical basis, the characteristics of testing tools and their use.

KCNA Review of 31 Jul Pyongyang Press

SK3107065791 Pyongyang KCNA in English 0437 GMT 31 Jul 91

[Press review]

[Text] Pyongyang July 31 (KCNA)—Papers here today carry a message to Comrade Kim Il-song, president of the Democratic People's Republic of Korea, from Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of the great Socialist People's Libyan Arab Jamahiriya, replying to his message of greetings sent to the latter on the occasion of the 21st anniversary of the dismantlement of the U.S. military bases from Libya.

Appearing in papers is news that the great leader President Kim Il-song received letters from participants in meetings for solidarity with the Korean people held in different countries and world public figures of broad circles on the occasion of the month of international solidarity with the Korean people.

Immortal classical works of President Kim Il-song were reported and deeply studied abroad, says NODONG SINMUN.

Conveyed in the press are voices of world people highly lauding the dear leader Comrade Kim Chong-il. Foreign papers reported his work "Our Socialism for the People Will Not Perish", says the press.

Carried in NODONG SINMUN is a solidarity letter to the C.C. [Central Committee], the Workers' Party of Korea from K.P. Silva, general secretary of the C.C., the Sri Lanka Communist Party, supporting the joint statement of the political parties and public organisations of the DPRK.

It comes out with an article headlined "To Strengthen Public Ownership Is Lawful Demand of Developing Socialist Society."

Econews of the press includes reports about the fast-progressing construction of a building of Kim Chaek University of Technology under a grand plan of the party, innovations in ore production and crops doing fine in the west coastal granary this year.

Given in the press is an account of a party arranged by the DPRK Government for a delegation of the physical training organisation of Iran led by Vice-President Hasan Ghafuri-fard, chairman of the organisation. Seen there are a speech of the vice-president at the party and an account of the sojourn of the delegation in Pyongyang.

NODONG SINMUN carries a commentary denouncing the South Korean puppet prime minister's outcries that students and people who want independence, democracy and reunification will be mercilessly suppressed and wiped out as "seditious forces" and an article exposing the South Korean ruling group's moves for "unification rough absorption by prevailing over communism".

The paper reports that Indian and Malian organisations issued statements demanding the release of coed Yim Su-kyong and Rev. Mun Ik-hwan and a Jamaican paper hit out at the South Korean authorities' anti-reunification moves.

The U.S. imperialists and the South Korean puppets staged war games against the North, according to the paper.

In a commentary entitled "Realistic Peace Overtures for Denuclearization," the daily supports the initiative of the DPRK government in putting forward a new proposal for the denuclearization of the Korean peninsula.

It deals with starting ceremonies of the "international solidarity march for supporting Korea's reunification" held in different countries and voices of foreign visitors demanding withdrawal of U.S. nuclear arms.

Appearing in the press are reports that Comrades Jiang Zemin and Li Peng spoke at a national meeting on foreign affairs of China and "Chinese People's Volunteers' war history of resisting America and aiding Korea" has been brought out in China.

According to NODONG SINMUN, the first secretary of the C.C., the Ukrainian Communist Party called for unity of the ranks of the Communist Party of the Soviet Union and the vice-chairman of the Tanzanian Revolutionary Party declared Tanzania would adhere to socialism.

In their monthly reviews of the international situation, papers say that an acute confrontation and struggle between peace forces and imperialist bellicose forces is going on in the international arena.

South Korea

Pyongyang's Proposal Accepted for Talks 17 Aug

SK3107101691 Seoul YONHAP in English 0958 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—The inter-Korean sports talks will be resumed on Aug. 17.

The South Korean Government on Wednesday decided to accept North Korea's proposal for holding the fifth round of inter-Korean sports talks on Aug. 17 at Panunmjom.

The decision came in a meeting of relevant government officials called immediately after Kim Hyong-chin, chief North Korean delegate to the talks, sent a telephone message to his South Korean counterpart, Chang Chung-sik, sounding out Seoul on its intention to hold the talks at 10:00 A.M. on Aug. 17 at Tongilgak in the Northern section of Panmunjom.

Vice Sports and Youth Affairs Minister Kim Yong-kyun said the Seoul Government decided to accept the communist proposal even though it had some doubts about Pyongyang's intention to delay the resumption of the talks until after Aug. 15.

Seoul earlier proposed that the talks be held on Aug. 6.

UNDP Issues Advisory Note on North's Economy

SK3107101091 Seoul YONHAP in English 0745 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—North Korea needs to conduct a comprehensive review of its agricultural sector based on economic and social cost considerations, and pay special attention to environmental concerns, the United Nations Development Program (UNDP) has said.

In a 16-page "advisory note" on the North Korean economy for 1992-96, the UNDP warned the current agricultural practices in the country would pose serious resource constraints for further development in the sector.

"Current agricultural practices in DPRK (Democratic People's Republic of Korea) are dependent on energy and chemical intensive inputs which in turn are dependent on imports such as oil and potassium. With rising costs, limited export earnings and deteriorating terms of trade, these practices pose serious resource constraints to further agricultural development...

"Further, intensive chemicalization has led to land degradation (declining soil fertility, falling organic matter content, erosion and soil acidification). Water pollution through eutrofication of the water system, further compounds the problem with resulting environmental degradation," the agency noted. DPRK is the official title of North Korea.

The UNDP said a total of 23.33 million U.S. dollars from its core resources would be channeled into new programs and projects for North Korea from 1992-96, with possible supplementation by 3 million dollars or more from the special program resources (SPR), 300,000 dollars from the U.N. Development Fund for Women (UNIFEM), and some from the U.N. Revolving Fund for National Resources Exploration (UNRFNRE).

Calling environment pollution caused as a result of industrial and agricultural expansion as one of the serious problems affecting sustainable development, UNDP recommended that North Korea strengthen "national capability to deal with policy issues relating to environmental management."

"The monitoring and control of industrial and agricultural pollution, the treatment of waste water, waste recycling, use of clean technology, risk management, etc. would be some of the components that could be addressed under this theme...

"At the same time, UNDP firmly believes that sustainability of the productive processes can only be achieved through development of human resources capability and the environment in which these resources operate," the agency said.

Underlining that average per capita energy consumption in North Korea is higher than the world average, UNDP said the country should conserve energy and reduce wastage of raw materials.

According to the UNDP, North Korea is faced with acute problems of investment and capital shortages compounded by recent developments in Eastern Europe as well as the high costs of fuel caused by the Gulf war.

"These developments have necessitated changes in the traditional trading patterns and barter arrangements causing a severe strain on the availability of foreign exchange for the procurement of new technology, and the government's capacity to service its debt burden to a range of countries. There is a compelling need for DPRK to come to grips with the problem," the agency said.

North Korea's level of international economic cooperation is modest and focused on joint ventures with sympathetic Koreans in Japan and buy-back arrangements with socialist countries, the UNDP said.

It advised North Korea to give priority to institutional capacity for promoting trade and investment that will increase foreign exchange earnings to acquire the capital and technology required for its modernization efforts.

UNDP also told North Korea to review current constraints before setting up export processing zones (EPZ) to provide the infrastructural and other facilities needed to attract foreign investment.

The agency said North Korea should include the promotion of tourism in its development plan, as it is related to the improvement of foreign exchange earnings.

Official Says 'No Problem' With North Visitors

SK3107040391 Seoul YONHAP in English 0251 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—North Korea formally notified South Korea Tuesday that it will send a 20-member delegation to Seoul for a meeting of Korean philosophers, slated for Aug. 21-24, chief organizer of the meeting said Wednesday.

The notification was made in a letter Kim Chang-won, North Korea's director of the Institute of Philosophical Research under the Academy of Social Sciences, sent to his southern counterpart, Prof. So Kwang-hui of Seoul National University.

Kim said in the letter that Pyongyang would dispatch 10 scholars, 5 journalists and 5 support personnel for the event.

A senior official at the National Unification Board said there is no problem for Prof. So in inviting North Korean scholars to the event since he sought the invitation in compliance with law and was approved by the government.

The official said if Prof. So files an application for the issuance of a written guarantee for the safety of North Korean visitors and other necessary documents, the government will convene a relevant panel on inter-Korean affairs to handle the matter.

KOTRA Eyes Pyongyang for Office Site

SK3107012891 Seoul THE KOREA HERALD in English 31 Jul 91 p 6

[Text] The Korea Trade Promotion Corp. [KOTRA] wants to see its office operating in Pyongyang.

A government source, who wished to remain anonymous, said the KOTRA plan will be relayed to Pyongyang in the fourth meeting of prime ministers from South and North Korea slated for next month.

The source quoted KOTRA President Yi Sun-ki as having said that it is high time to set up an office in Pyongyang, the capital of North Korea.

The move of the state-invested company came at a time when the divided halves of Korea are applying for membership at the United Nations.

Last Saturday, local media reported that North Korea had asked South Korean enterprises to take part in a free trade zone to be set up in Chongjin, a North Korean city on the east coast.

The source said KOTRA will inaugurate a department to deal exclusively with the Pyongyang office, if any.

The KOTRA department will be in charge of such affairs as trade and joint ventures, collection of business information in North Korea and answering inquiries from local businesses.

Chung Chu-yung, founder and honorary chairman of Hyundai Group, expressed his wish for the setup of a trade office for Seoul in Pyongyang during his recent tour of China.

A KOTRA spokesman, however, was reluctant to admit KOTRA's plan to set up the North Korea department and its wish to establish an office in Pyongyang.

Seoul Meets 30 Jul To Discuss North's Proposal

SK3107020691 Seoul SEOUL SINMUN in Korean 31 Jul 91 p 2

[Text] Regarding the 30 July North Korean proposal that the North and the South jointly declare the Korean peninsula a nuclear-free zone, a government official pointed out that "even though the North Korean proposal is more specific than past proposals, judging from its basic contents, there is no change, including its call for the withdrawal of the U.S. forces in South Korea."

He added: "Prior to putting forward such a proposal, North Korea should sign the nuclear safeguards accords by which international society must abide and should accept nuclear inspection."

He said: "Under the circumstances in which neighboring powers possess nuclear weapons, the proposal that the Korean peninsula be turned into a nuclear-free zone has no meaning to speak of. Thus, there can no change in the government's basic policy."

He therefore implies that the government will not accept the North Korean proposal.

In the meantime, the government held a meeting in a conference room in Samchong-tong on the afternoon of 30 July, in which officials of Chongwadae [presidential residence], the Foreign Ministry, the Agency for National Security Planning, the Defense Ministry, and the Unification Board participated and extensively discussed the mapping out of measures to be taken. It is expected that North Korea may persistently put forward this issue at the fourth round of North-South high-level talks to be held in Pyongyang on 27 August.

Women's Group To Invite North Group to Convention

SK3107084591 Seoul YONHAP in English 0641 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—The (South) Korean National Council of Women (KNCW) will invite a group of North Korean women, including Kim Song-ae, North Korean President Kim Il-song's wife now chairing the (North) Korean Democratic Women's Union, to the 28th national convention of Korean women slated for September 12 in Seoul, a KNCW spokeswoman said Wednesday.

The KNCW filed an application with the National Unification Board on Monday for an official approval of its plan to invite the North Koreans, she said.

The umbrella women's group would send formal invitations to Kim Song-ae after acquiring the government's approval, she said.

She said about 2,500 representives from 27 member organizations of the group were expected to take part in the convention and would discuss a wide range of issues concerning education, inter-Korean effort for reunification of the fatherland and women's participation in politics.

Meanwhile, the Korean women's association proposed in March to hold an inter-Korean traditional food contest in April in Pyongyang but it was all to no avail. North Korea is yet to respond to another proposal, made by the Korea Women's Association United last month, to have a symposium on women's role in Asia's peace in Seoul in October.

Daily Comments on U.S.-USSR Moscow Summit

SK3107012591 Seoul THE KOREA HERALD in English 31 Jul 91 p 8

[Editorial: "Moscow START Summit"]

[Text] In spite of the meetings with Soviet President Mikhail Gorbachev since he was elected in 1988, U.S. President George Bush wished to dub this week's summit in Moscow the first post-Cold War summit, with good reason.

The two-day summit meeting that opened yesterday is aimed not so much at defusing a crisis as at evolving new relations of both nations after they have officially agreed to slash their long-range nuclear arsenals to fit into a new world order.

The long-delayed summit has been set up as a symbolic occasion to sign the Strategic Arms Reduction Treaty [START], which took nearly a decade of negotiations. The more important objective is to engage American and Western help to shift the Soviet Union into a market economy.

Bush is likely to ease current economic restrictions on the Kremlin by granting the most-favored-nation status to allow the lowest tariffs on Soviet exports to the United States. But he could hardly go further and offer any substantial financial aid, largely on account of the unfavorable sentiment on Capitol Hill. Moscow's continuing ties with Cuba also remains a source of irritation.

As for Gorbachev, he had done much in the way of pleasing the West by permitting 100 percent foreign investment in Soviet enterprises and adopting a new Communist Party program in favor of capitalist institutions around the Group of 7 summit in London.

Boosted by the responsiveness of the Soviet Union and the desire of Washington and its Western allies to see Gorbachev get ahead with his perestroika policies, the two superpowers might agree on better terms on which to work for closer economic cooperation.

The conclusion of START is military significant. Politically, it would serve to weaken the voice of conservatives in and out of the Soviet military. Bush's visit is supposed to bolster the reformists there. The strategic balance of the Korean peninsula under the dominant influence of the United States and the Soviet Union should be so streed as to induce stability and reconciliation in Korea and in the Northeast Asian region.

USSR, PRC Likely Suppliers of Technology

SK3107072391 Seoul YONHAP in English 0539 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—Soviet Union and China are likely to emerge as new suppliers of aerospace technology for Korean firms, and some agreements appear to be not far away.

Officials at Samsung Aerospace Industries and Daewoo Heavy Industries say negotiations are fully under way with Soviet research institutes with some agreements deemed possible within this year for valuable import of aerospace technology.

Hyundai Precision and Industry Co. says it is talking with China, with one company official disclosing the Hyundai Group's honorary Chairman Chong Chu-yong, during his visit to China last week, won a favorable response on exchanging South Korea's know-how on automobile production with Chinese Aerospace Technology.

Chong, who returned to Seoul last Saturday after an eight-day stay in China, had met with vice premiers and leading businessmen there.

Hyundai is expected to immediately follow up to Chong's proposal and seek to open negotiations with the Chinese, especially in the area of helicopter manufacturing, the official said.

Daewoo, on direct orders from group Chairman Kim U-chung, has made great progress in negotiations with the Soviet Union in importing technology for brake discs, officials said.

"Negotiations are almost complete with the Soviet Union's research institutes under the Ministry of Aerospace Industry, and we are hoping to conclude formal agreements within this year on five to six major technology projects," one Daewoo official said on condition of anonymity.

Most of the import will be system-based and technology-oriented with less emphasis on commercial values, he said.

Samsung Aerospace, a subsdiary of the Samsung Group, similarly, is hoping to conclude agreement with the Soviet Union's central aerohydrodynamics institute for joint development of parts and materials that go into plane production.

There was a high-level contact between the two parties in the Soviet Union last February after which a memorandum of agreement was exchanged, company officials said.

The Science and Technology Ministry has approved the agreement as part of Seoul-Moscow economic cooperation package, they said.

"Aerospace technology are strictly guarded by Western advanced nations such as the United States and Britain. The Soviet technology is not behind, although it may lag behind in commercial value," one of the officials said.

"The Soviet Union has been highly receptive to our proposals," he said.

PRC's Deng Zhifang Leaves After 11-Day Visit

SK3007130891 Seoul YONHAP in English 1250 GMT 30 Jul 91

[Text] Seoul, July 30 (YONHAP)—Deng Zhifang, the second son of China's paramount leader Deng Xiaoping, left Seoul Tuesday after winding up an 11-day stay in South Korea.

The 40-year-old vice president of China International Trust Investment Corp. arrived here on July 19 at the invitation of Pak Tae-chun, chairman of Pohang Iron and Steel co.

While staying here, Deng met with Pak, concurrently a co-chairman of the ruling Democratic Liberal Party, Vice Foreign Minister U Chong-ha, Vice Finance Minister Yi Su-hyu and Vice Transportation Minister Chang Sang-hyon to discuss ways to promote economic cooperation and exchange between the two countries.

Deng also made tours to industrial complexes in Kwangyang, Kumi and Changwon.

He earlier visited Seoul at the invitation of the Samsung business group last year. His visit this time was made at his request, informed sources said.

More on Deng Zhifang Visit

SK3107085891 Seoul YONHAP in English 0837 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—The just-ended visit by Deng Zhifang, the second son of China's paramount leader Deng Xiaoping, to South Korea was simply aimed at inspecting industrial firms here and there was no political motive behind it, Pohang Iron and Steel Co. [Posco], which arranged the trip, said Wednesday.

The 40-year-old vice president of China International Trust and Investment Corp. arrived here on July 19 at the invitation of Pak Tae-chun, chairman of Posco, and left the country for home Tuesday, Posco officials said.

Posco arranged the visit after Deng expressed his hopes to see Korea's small-sized textile and electronics parts companies through Posco Asia Company Ltd., a locally incorporated Posco subsidiary in Hong Kong, the officials said.

An earlier speculative report here had it that Deng's visit might have been related to a move to establish diplomatic relations between Seoul and Beijing.

During his 11-day stay here, Deng met with Pak, concurrently a co-chairman of the ruling Democratic Liberal Party, Vice Foreign Minister U Chong-ha, Vice Finance Minister Yi Su-hyu and Vice Transportation Minister Chang Sang-hyon to discuss ways to promote economic cooperation and exchange between the two countries.

Deng also made tours to industrial complexes in Kwangyang, Kumi, Changwon, Seoul and Inchon. It was his second time to visit Seoul following the one last year at the invitation of the Samsung business group.

Seoul To Host ESCAP Committee Seminar 5 Aug

SK3107090691 Seoul YONHAP in English 0355 GMT 31 Jul 91

[Text] Seoul, July 31 (OANA-YONHAP)—The Foreign Ministry said Wednesday it will sponsor a seminar for the interim Mekong Committee of the Economic and Social Commission for Asia and the Pacific (ESCAP) Aug. 5.

Chuck Lankester, executive agent of the Committee, will present updated information on ESCAP's Mekong River development project to South Korean officials from Economic, Foreign Affairs, Construction and Agricultural Ministries and relevant organizations.

The one-day seminar, Foreign Ministry officials say, can be a preparatory step to South Korea's possible diplomatic normalization and increased economic cooperation with Vietnam after the Cambodian question is resolved.

The ESCAP Committee was established in 1957 with Cambodia, Laos, Vietnam and Thailand as member nations. Some twenty advanced nations are listed as its supporting nations, and some 420 million U.S. dollars have gone into the river development project so far.

Vietnam had suggested establishing official ties with South Korea during the 47th ESCAP session opened in Seoul last April, but South Korea reportedly repended that such ties be discussed after the Cambodian problem is settled.

Liquidation To Be Filed on BCCI Seoul Branch

SK3107015291 Seoul YONHAP in English 0119 GMT 31 Jul 91

[Text] Seoul, July 31 (OANA-YONHAP)—The government is expected to take legal action within next week to liquidate Seoul branch of the scandal-ridden Bank of Credit and Commerce International (BCCI), officials at the Finance Ministry and Office of Bank Supervision and Examination (OBSE) said Wednesday.

The Monetary Board, which regulates banking activities, will meet soon and cancel business permit for the BCCI branch in Seoul, the officials said.

After the Board makes its decision, the OBSE will immediately file for liquidation of the Seoul BCCI branch with the court, they said.

Hong Kong and Japan have already begun to legally liquidate BCCI offices in their countries, but South Korea has been delaying its actions because it did not immediately find operation irregularities in its Seoul branch, a Ministry official said.

"Hong Kong and Japan have been able to take quick actions because BCCI there are locally incorporated. The BCCI in Seoul is an overseas office, and financial problems of overseas offices was reported to be less serious than those of locally incorporated ones," the official said.

It was not until July 22 that the BCCI headquarters replaced receivers with liquidators for their overseas offices, he said.

Liquidation steps begin approximately two months after the court orders it. BCCI will report its debts and credits during the two months.

OBSE officials said they will handle employee salary and small-scale debts first during liquidation.

BCCI opened its Seoul branch on Nov. 9, 1977 and now has 78 employees. The branch was ordered its assets frozen July 6.

Closure Depresses CD Market

SK3107083191 Seoul THE KOREA ECONOMIC JOURNAL in English 29 Jul 91 p 6

[Text] The closure of the Bank of Credit & Commerce International's [BCCI] Seoul branch has almost halted the market for CDs (certificates of deposit) issued by foreign banks operating in the country, securities market sources said.

On July 22, investors turned a cold shoulder to foreign bank CDs, even though they were offered at a yield of 18.8 percent, 0.3 percentage point higher than the 18.5 percent offered for domestic bank CDs. As a result, the trading of foreign bank CDs came to a near halt.

On the other hand, foreign bank-guaranteed corporate bonds traded at a yield of 18.83 percent that day, 0.03 percentage point higher than the 18.8 percent paid on domestic bank-guaranteed bonds. Even with the higher yield, the trading of foreign bank-guaranteed bonds was very thin.

The freeze on BCCI's Seoul assets has caused Korean investors to feel concern about the credibility of foreign banks in general, the sources said.

More on Bank Closing

SK3107083691 Seoul THE KOREA ECONOMIC JOURNAL in English 29 Jul 91 p 24

[Editorial: "Lessons Learned From BCCI's Troubles"]

[Text] The losses of Korean businesses due to the closure of the Seoul branch of scandal-plagued Bank of Credit and Commerce International [BCCI] are now reported to be surprisingly huge, rendering new urgency to the problem of indentifying bank depositors. Following suit of a number of industrialized countries which closed BCCI operations within their countries after they allegedly discovered evidence of massive fraud including money laundering and improper loans, the Office of Bank Supervision and Examination had said that the scale of damage to local depositors would not be substantial. That was on July 8.

Then, on July 19, the Ministry of Trade and Industry estimated that traders alone would lose some $22.8 million in the wake of the BCCI failure, aggravating the already serious financial woes of businesses.

The rather optimistic initial estimate of the situation by the bank regulators stemmed from such data as total assets-which, including outstanding loans, amounted to 67.2 billion won as of July 5 - and liabilities which, including deposits, totaled 27.7 billion won.

It is not known what the final costs of BCCI closure for domestic customers, which include a couple of general trading companies, will amount to. Two things, however, are obvious. First, losses are highly likely to turn out to be significantly more than what they were originally thought to be. And, secondly, once the Seoul subsidiary of the troubled bank undergoes the process of liquidation, there will be no assurance of preservative measures for the money in custody of the local branch.

The BCCI closure, being the first case in Korea of a foreign bank failure, has reminded us of the acute need to maintain an efficient system for banking regulations in order to protect the interests of domestic depositors in the face of the liberalization of the banking industry. Also, the incident brought home to us the dire need of a deposit insurance system.

Deploring the nearly helpless state of the domestic BCCI customers, we find very much to be desired in the way the government, the central bank and the banking regulators have responded.

Kim Yong-sam, Pak Chol-on Discuss Party Issues

SK2907122091 Seoul YONHAP in English 1008 GMT 29 Jul 91

[Text] Cheju, July 29 (YONHAP)—Amid signs of his political rivals refreshing themselves with calls for a shift to the parliamentary cabinet system, Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party (DLP), met with Sports and Youth Minister Pak Chol-on Monday to cap a series of contacts on this resort island with leaders of his rival factions in the ruling camp.

Kim is understood to have discussed with Pak available formulas for the selection of the ruling party's presidential candidate as he did in his contacts here Sunday with Kim Chong-pil, DLP co-chairman, Choe Yong-chol, special presidential advisor for political affairs, and Son Chu-hwan, senior presidential secretary for political affairs.

An amendment to the general election law prior to the 1992 general election and timetables for the party's national convention were raised in the meeting, it was learned.

Kim Yong-sam reportedly stressed the need to partially change the general election law and championed an idea of bringing forward the selection of the next presidential candidate to a point earlier than the general elections.

His aides, however, belittled the meeting, saying it was no more than a natural get-together between vacationers staying at a same hotel.

Kim Chong-pil, Choe, Son and Pak also said their meetings with Kim Yong-sam were casual and declined to go into detail.

Finance Minister Departs for Taiwan Talks

SK3107032791 Seoul YONHAP in English 0223 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—Finance Minister Yi Yong-man left for Taiwan Wednesday morning, leading a Korean delegation taking part in the 24th Korean-Chinese economic ministerial conference to be held there Aug.1-2.

The Korean delegation and the Taiwanese side, headed by Shao Wan-zhang, minister of economic affairs [name and title as received], will discuss a concerted measure to counter trade frictions with advanced countries and ways to strengthen cooperation in the construction and finance fields as well as exchanges of scientific technologies.

The two sides will also discuss the possibility of Korea participating in projects of Taiwan's six-year economic development plan.

The Korean delegation is scheduled to return home on Aug. 3.

Container Exports Down Due to Labor Disputes

SK3107083891 Seoul THE KOREA ECONOMIC JOURNAL in English 29 Jul 91 p 7

[Text] Container exports during the first half of this year have decreased drastically due to setbacks in production resulting from labor disputes and the fall of container prices on the world market. Korea is known as the world's largest container exporting country.

The Container Industry Association said that container exports amounted to $437.66 million during the first half of this year, down 14.3 percent from a year earlier. Due to the strengthened regulations against the use of freon gas, the world demand for refrigerated containers has radically decreased. Exports of refrigerated containers during the period amounted to $49.56 million, less than a half of the exports during the corresponding period of last year.

Hyundai Precision & Ind. Co., Jindo, and Hyosung Metal have experienced labor disputes for about a month. Hyundai Precision & Ind. has been faced with its workers on strike for the fourth week now.

First Police Agency Chief Named at Meeting

SK3107090391 Seoul YONHAP in English 0734 GMT 31 Jul 91

[Text] Seoul, July 31 (YONHAP)—The Police Commission was formally inaugurated Wednesday and started its official business by endorsing the appointment of Kim Won-hwan as the first director of the fledgling National Police Agency as recommended by Home Affairs Minister Yi Sang-yon.

Delivering a speech at the Commission's inaugural ceremony, Minister Yi said, "We expect the Police Commission to contribute to the establishment of a new status of the police commensurate with the era of internationalization and local autonomy."

The first Commission meeting unanimously accepted Yi's recommendation and named Kim the first director of the National Police Agency. The Commission, comprising one commissioner and six others, reviews and decides major policies on personnel management, budget, equipment and communications of the police and on police operations related with human rights protection.

Burma

17 Youths Face Legal Action for Contacts

BK3007043591 Rangoon Radio Burma in Burmese 1330 GMT 29 Jul 91

[Excerpts] It has been learned that during June 1991 the Directorate of Defense Services Intelligence exposed and arrested Hla Nyein alias Ye Htut, organizing officer of the youth wing of the National League for Democracy [NLD], Rangoon Division; Thein Aye alias Ne La; Khin Mya; and their contacts—Than Myint, Moe Zaw Thein, Myat Tun, Thida Aye, Ye Tun, Than Htay, Kyaw Nyein, Myo Myint, Win Myint, Win Naing Toe, Ye Myint Aung, Soe Soe U, Htay Win, and Hla Min. The youths secretly returned from the liberated zone under the parallel government of the Sein Win National League for Democracy, which was formed at the headquarters of the KNU [Karen National Union]—a terrorist insurgent organization—in Manerplaw to gather information and to recruit new persons.

Investigations reveal that Hla Nyein, dissatisfied with Declaration No. 5/90 of the NLD Central Executive Committee, left to go underground on 9 December 1990 via Moulmein and arrived at Manerplaw on 4 February 1991. At Manerplaw he met with Tun U, [elected] NLD representative from Kyaukkyi Township constituency; Thein Aye; and Tun Tun U. Tun U gave Kyat 8,000 each to Hla Nyein, Thein Aye, and Tun Tun U, and instructed them to go to Yangon [Rangoon] to establish contact within the NLD and to make arrangements to bring back those who wished to go underground. He also told them to contact parliamentary candidates who wished to come and to distribute journals and tapes issued by the parallel government inside the country. They were sent back on 4 March 1991. [passage omitted]

Hla Nyein established contact with NLD youths through his friend, Win Myint. He was able to contact Moe Myint, chairman of Kamayut Township NLD, and Kyaw Nyein, of the NLD youth wing in Yangon Division. [passage omitted]

Thida Aye, NLD member of Sanchaung Township, disclosed that Tun Aung Kyaw, NLD officer in charge of youth affairs of Irrawaddy Division, who is now with the Sein Win parallel government, came to her around December 1990 and told her that he would go underground. She accepted Tun Aung Kyaw's request to collect and pass on news about the NLD, actions taken by the State Law and the Order Restoration Council, and student activities. After about a month Tun Aung Kyaw returned from underground with malaria and stayed at Thida Aye's house for two nights to receive medical treatment. It was learned that Thida Aye gave the information she had collected verbally to Tun Aung Kyaw.

Hla Min, officer in charge of youth affairs in Dawbon Township, went to KNU insurgent terrorist, Po Kyaw Win, Marthi-in village via Kyauktaga on 3 October 1990 because he was afraid of being arrested in connection with the an illegal publication on the NLD news conference No. 8. However, his attempts to go underground were unsuccessful and he returned to Yangon on 18 May 1991. On 22 May 1991 he and Tun Aung Kyaw, NLD officer of Irrawaddy Division, went to the combined camp of the 3d KNU Brigade and the 101st and 102d Battalions of the ABSDF [All Burma Students Democratic Front]. Tun Aung Kyaw proceeded to Manerplaw, while Hla Min remained in the combined camp to maintain overt contacts. It was learned that on 11 July 1991 he came back to collect documents and information from Thida Aye in Sanchaung Township.

It has been learned that effective action will be taken according to the law against the 17 persons—Hla Nyein, Thein Aye, Khin Mya, Than Myint, Moe Zaw Thein, Myat Tun, Thida Aye, Ye Tun, Than Htay, Kyaw Nyein, Myo Myint, Win Myint, Win Naing Toe, Ye Myint Aung, Soe Soe U, Htay Win, and Hla Min—for going to the seat of parallel government in Manerplaw, for collecting information and recruiting new members, for undertaking organizational work to establish contact between the NLD members and the underground camp of insurgent terrorists, and for collecting information overtly.

Rebels To Seek Help From Islamic Conference

BK3007062991 Hong Kong AFP in English 0542 GMT 29 Jul 91

[Text] Dhaka, July 30 (AFP)—A Burmese rebel Moslem group will appeal for help in restoring their rights at a meeting of organization of the Islamic Conference foreign ministers opening in Istanbul this week, a spokesman said here Tuesday.

"We will send an appeal and one of our representatives would try to address the conference being held under the aegis of the Organisation of the Islamic Conference (OIC)," Mohammad Ali of the Rohingya Solidarity Organisation (RSO) Said.

He said their appeal focused on Moslem Burmese, known as Rohingyas, who he said were persecuted by the Burmese military junta, adding that they were mainly concentrated in the Arakan province, near the border of predominantly Moslem Bangladesh.

Mr. Ali said their main objective was to raise the issue of the Burmese Moslem minorities considered as "guest citizens" by the Rangoon government.

Some 10,000 Moslem refugees have recently taken shelter in Bangladesh, he said, adding that the Dhaka government had "unofficially" permitted them to stay in this country and extended "only moral sympathy" for their cause.

Meanwhile, an RSO press statement has appealed to the United States, Australia and other countries as well as international organisations to stop the "military junta from committing crimes against humanity in Burma."

Brunei, Malaysia & Singapore

Malaysia

National Front Coalition Admits Two Parties

BK3007064091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 30 Jul 91

[Text] Malaysia's ruling Barisan Nasional, BN [National Front] coalition, has admitted another Sabah-based party, bringing the total number of parties in the coalition to 12. The BN Supreme Council at its meeting last night accepted the application by the Liberal Democratic Party [LDP]. The meeting also formally endorsed the acceptance of another Sabah-based party Angkatan Keadilan Rakyat, Akar [People's Justice Party], into the BN. The application by a Sarawak party, Permas [Malaysian Sarawak Party], headed by Haji Bujang Ulis was rejected.

BN Chairman Datuk Sri Dr. Mahathir, who chaired the meeting, said the decision on the application by a Terengganu-based party, Parti Ikatan Masyarakat Islam [Islamic Alliance Party], was deferred. He said the meeting also reviewed the BN's performance in last October's general election. It was of the view that the coalition was gaining strength. This is seen in the number of parties that want to join it.

Datuk Sri Dr. Mahathir explained that the people want the BN because it represents stability and prosperity.

Daily Views Outcome of ASEAN Post Conference

BK3007120891 Kuala Lumpur NEW STRAITS TIMES in English 25 Jul 91 p 10

[Editorial: "The dialogues come to an end"]

[Text] Post-Ministerial Conference (PMC) started on Monday with Foreign Minister Datuk Abdullah Ahmad Badawi saying prior to Asean's closed discussions with its seven dialogue parters, that Asean hoped that the PMC would not be utilised exclusively to ventilate security arrangements, but that other matters should be discussed in an open forum atmosphere.

Indeed many matters had pressed their way to the fore, the European Community [EC] at the open session staunchly defended its stand on a single European market. The EC said that the market was in intended to create trade with other non-EC countries, not to form an exclusive club of trading partners. And Canadian Secretary of State for External Affairs Barbara McDougall blithely took a similar line when she told Asean not to worry about the trade agreements between Canada and the United States, as well as the proposed extension of the agreement to Mexico, as they would only create more trade opportunities for Asean and broaden multilateral trade around the world.

If this were so, one wonders why countries parked outside such clubs or regional trade blocs are knocking, only slightly desperately, on the doors of EC for example, to be allowed into its kinship or are forming or attempting to script their own regional trade agreements (as in Latin America and Africa) in little froths of haste.

After all, if all these trade groupings or blocs only generated more trade for those excluded from their circle, wouldn't a country seeking and awaiting greater trade opportunities only have to wait in patient isolation on the outer fringes for all these goodies to drop into its lap? If indeed trade liberalisation, as they all claim, were their goals.

Australian Foreign Affairs and Trade Minister Senator Gareth Evans commented that Asean and Australia, being ever dependent on trade as they restructured the faces of their economies, were being made to suffer as a result of unfair trading practices by developed countries. He also mentioned distortions in agricultural trade, caused primarily by EC practices.

Despite the resurfacing of all these issues, many of Asean's dialogue partners preferred to shuffle the issues of regional security in great detail, amongst a host of productie and nitty-gritty topics, to the end of the dialogues which closed yesterday. Whilst security was a subject of extreme importance in shaky times of the Cold War, surely its significance has lost its edgy lustre in view of the international paradigm changes. Russia hs offered to swap its arms and weaponry know-how in exchange for help to convert its armament factories and structure into economic powerhouses. In fact, China and Russia were invited along as our guests for the first time. Japan has assured Asean that it will remain peaceful and the US emphasised its firm commitment to Asean.

So where does the impetus to cover security arrangements—both bilateral and multilateral—in obsessive detail originate from? Surely the current global attitude would not allow any country to invade another, as Iraq's lesson clearly shows. However, other issues were fruitfully discussed in frank exchanges of views—technology transfers and exchanges, the political tangles in Myanmar [Burma] and Cambodia, and communication kinks and understandings were ironed out. It is time to plan for peace, to grow in economic and humanistric terms.

Shipping Corporation To Handle SRV Shipments

BK3007130591 Kuala Lumpur Voice of Malaysia in English 0600 GMT 30 Jul 91

[Text] Malaysian International Shipping Corporation will accept shipments to Vietnam from all strait ports and its worldwide agency network from the first of next month. The corporation said in a statement that all cargo from strait ports would be precarried to Singapore on its Straits of Malacca feeder service and would then be on-carried weekly to Ho Chi Minh City and Haiphong. The corporation said in due course it aims to start a direct service from the Straits to Vietnam.

Iraq Urges Lifting of UN Economic Sanctions

BK2707055591 Kuala Lumpur BERNAMA in English 0352 GMT 27 Jul 91

[Text] Kuala Lumpur, July 27 (OANA-BERNAMA)—Iraq has appealed to Malaysians to help get United Nations' economic sanctions against it to be lifted so that the country can buy urgently needed food and medicine for its people.

Unless the embargo is immediately lifted to enable the country to sell its petroleum and purchase urgently needed food, medicine and other basic civilian requirements, millions of innocent people, mainly children will die, Iraqi ambassador to Malaysia Hisham Tabaqchali [name as received] said.

In a letter to the chairman of the Malaysian National News Agency (BERNAMA), Mazlan Nordin, Hisham said the sanctions were causing many civilians, especially children, women, the aged and the disabled, to become "helpless victims" of hunger, diseases and death. He described the insistence of the United States (US) and Britain that the sanctions continue as a "senseless and merciless" policy aimed at inflicting "great suffering" on the people of Iraq.

He also said that their "unfair and improper insistence" was a "direct and blatant" violation of the United Nations' Charter itself, particularly when Iraq had complied with all the relevant UN Security Council resolutions after the Gulf war had ended.

Prior to the war, Iraq was importing U.S.$500 million worth of medicines annually and 70 per cent of its requirements of food, he said.

Hisham quoted a report of the UN under secretary-general for administration and management, Mr. Martti Ahtisaari, published in March, which noted that the sanctions had adversely affected Iraq's ability to feed its people.

He said the report strongly recommended an urgent supply of basic commodities to safeguard the "vulnerable groups" by providing large amounts of staples, including milk, wheat, flour, rice, sugar, vegetable oil and tea. The ambassador also quoted a report by a medical team from Harvard University which visited Iraq in April and May.

"Hundreds of thousands of children in Iraq face death over the coming months as a result of the combined effects of the intense bombings against Iraq (during the war) and the continued imposition of sanctions," Hisham quoted from the findings of the team.

He said the team discovered that the epidemic levels of cholera, typhoid and gastroenteritis would create a public health catastrophe in Iraq and "we conservatively estimate that the mortality rate for children under five will produce 170,000 additional deaths in this age group".

The team's forecast was corroborated by Dr. Ezin Murzil of the United Nations Children's Fund (UNICEF) who said that 80 per cent of children under one year already have severe malnutrition, he said.

Mr. Hisham also said that Dr. Dominick Dutour of the International Red Cross reported that about 94,000 children in southern Iraq could die if no medication was made available to them, just because of diarrhoea or waterborne diseases.

He said the declarations in May and June by the United States President (George Bush) and the British Prime Minister (John Major) that the sanctions against Iraq would continue to be enforced as long as (Iraqi President) Saddam Husayn was in power "is unfair and hypocritical" because whether Mr. Saddam should remain in power is the choice of the people of Iraq.

Those who claim to teach democracy to the world should be the first to respect the choice of the people, he added.

Paramount Ruler Receives Credentials of 3 Envoys

BK3107093891 Kuala Lumpur NEW STRAITS TIMES in English 26 Jul 91 p 2

[Excerpt] Kuala Lumpur, Thurs.—The Yang di-Pertuan Agong [Paramount Ruler] Sultan Azlan Shah received the credentials of three foreign envoys to Malaysia at the Istana Negara [State Palace] here to day.

The three are the Nigerian High Commissioner, Al Haji Abdulrahman Gara, Swaziland's High Commissioner, Prince David Dlamini, and the Guinean ambassador, El Hadj Boubacar Barry.

In his speech at the audience granted to the Nigerian High Commissioner, he Welcomed Nigeria's participation in the Technical Cooperation Programme to help developing countries. [passage omitted]

Singapore

Parliament Passes Presidential Elections Bill

BK3007164491 Singapore THE STRAITS TIMES in English 30 Jul 91 p 24

[Text] Parliament yesterday passed the Presidential Elections Bill without amendment, clearing the way for Singapore's first elected head of state.

Presidential elections are due no earlier than three months before President Wee Kim Wee's term expires in September 1993.

An elected president, with reserve powers over the Government's Budget and over appointments to key public positions, is provided for by a recent amendment to the Constitution.

Yesterday's debate on the Presidential Elections Bill, which specifies how the poll is to be conducted, focused on four areas: the time available for candidates to prepare for elections; the work of the Presidential Elections Committee [PEC]; how the winning candidate is decided upon; and whether numbered ballot papers introduced a fear factor.

Under the Bill, Nomination Day must be announced between five days and one month in advance. Polling Day must be announced between nine days and eight weeks in advance.

Law and Home Affairs Minister S. Jayakumar, moving the second reading on behalf of the Prime Minister, dismissed Opposition claims that the minimum period was too short and disadvantaged the underdog. NCMP [Non-constituency Member of Parliament] Lee Siew Choh had said that the PAP [People's Action Party] preference for snap General Elections would extend to Presidential Elections.

Prof. Jayakumar said that Opposition fears were unfounded, firstly because the timing of Presidential Elections was guite predictable: The Bill specified that elections be held within three months of the expiry of the incumbent President's term, or within six months of his death.

Presidential hopefuls would have a clear idea about when elections would be and could prepare well ahead of time.

Second, the minimum nine-day campaign period was enough because presidential candidates were likely to be well-known individuals, more so than Parliamentary canditates. Furthermore, there would probably be only a handful of them.

Third, because the target was the whole electorate, rather than a single constituency, campaigning was less likely to be door-to-door than through the mass media—newspaper advertisements, for example.

On the role of the Presidential Elections Committee, which screens candidates, Prof. Jayakumar rejected Dr. Lee's suggestion that it follow the American example of telecasting congressional hearings live. The minister said: "If there is such public grilling, would there be candidates who will come forth?"

He said that the stringent qualification criteria meant that candidates were likely to be established figures.

Under the Bill, the PEC must certify a candidate to be a person of integrity, good character and reputation and that he has the necessary ability and experience to manage financial affairs. The Constitution exempts certain individuals, such as former Ministers, from this step.

To Dr. Lee's call for a judicial review when the PEC disqualifies someone, Prof Jayakumar said that the question had already been settled in the debate on the Constitutional amendments providing for an elected president.

The Constitution had entrusted the decision to the judgment of "this group of wise men," the PEC. "These are matters which are not strictly legal or justiciable matters by a court of law."

On the question of deciding the winning candidate, Mr Chay Wai Chuen [Brickworks GRC—Group Representatives Committee] questioned the first-past-the-post system, in which a simple majority is enough for victory. He said an absolute majority would give a better mandate. When there were three candidates, none of whom got more than 50 percent of the votes, there should be a second round of elections for the top two candidates he suggested.

But what if there was still no absolute majority, Prof. Jayakumar asked? "How many times do you proceed, with the second round, third round?"

Prof. Jayakumar also defended the Bill's provision that an uncontested candidate would be declared President without having to go the polls.

Replying to Mr. Chiam See Tong (Potong pasir), he said: "If on such an important matter, no other candidate except one stands, the question is: What is the point of having a poll?" He suggested instead that presidential elections be taken seriously and contested so that there would indeed be a poll.

Other provisions discussed:

—Avoiding money politics. Prof Jayakumar stressed that the $600,000 cap on election spending applied not only to the candidate's own expenditure, but also to the spending of anyone campaigning on his behalf, including political parties. Any campaign help had to be authorised by the candidate.

—Disavowing party ties. The Bill provides that candidates must declare that they are not members of any political party. Replying to Mr Chay, Prof. Jayakumar said that it was not necessary to insist that candidates be free from party ties for a certain period before their nomination.

—Election symbols. He said he would take up a suggestion by Mr. Chay that candidates' photographs be printed on the ballot paper, instead of a symbol.

Cambodia

Deputy Foreign Minister Signs Aid Agreement

BK2707105191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 25 Jul 91

[Text] On the afternoon of 24 July, at the office of the State of Cambodia's Foreign Ministry, a ceremony was organized to sign a cooperation agreement between the State of Cambodia's Foreign Ministry and ADRA [Adventist Development and Relief Agency].

The agreement's protocol was signed by Comrade Long Visalo, State of Cambodia's deputy foreign minister, and (Jan Simpson), director of (ADRA) in Southeast Asia. It stipulates that taking into account the current developments and favorable conditions in the State of Cambodia, (ADRA) will assist the Cambodian people in foodstuffs, the supply of urgent aid to war refugees inside Cambodia, and assistance in education, agriculture, and public health, to improve the people's well-being without regard to political tendencies, nationalities, and religions.

Aid Distributed to Refugees

BK3007064291 Phnom Penh SPK in English 0417 GMT 30 Jul 91

[Text] Phnom Penh SPK July 30—Two international organizations provided more relief aid to the war refugees in Banteay Meanchey Province, some 350 km northwest of here, in the second quarter of this year.

The Oxford Committee for Famine Relief (OXFAM) donated 15,000 packages of consumer goods, while the World Food Program (WFP) provided 1,464 tons of rice and 87 tons of prahok (cheese).

According to Heng Chamnan, permanent secretary of the provincial Red Cross, OXFAM has so far provided the war refugees in the province with 4,170 packages of goods and helped sink 22 water wells for them, and WFP, CIRC [Cambodian International Red Cross], and UNICEF also donated 2,565 tons of rice, 87 tons of prahok, 1,000 tents, and 6,180 parcels of school materials.

In April this year, there were in Banteay Meanchey 9,240 refugee families with 48,442 people who were dislodged from their native villages by the three Khmer opposition factions' harassments.

Tie Banh Greets SRV Counterpart on Invalids Day

BK2807075091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 27 Jul 91

[Text] On the 44th anniversary of the Vietnamese War Invalids Day, Comrade General Tie Banh, defense minister of the State of Cambodia, sent a message of greetings to his Vietnamese counterpart, Comrade Gen. Le Duc Anh.

The message read: Beloved comrade:

On the 44th anniversary of the Vietnamese War Invalids Day, on behalf of the cadres and combatants of the Cambodian People's Armed Forces and in my own name, I would like—with the fondest love—to greet the Vietnamese wounded, disabled, and sick cadres and combatants as well the families of the fallen Vietnamese combatants who have sacrificed their flesh and blood for the revolutionary cause of Vietnam and Cambodia.

Also on this occasion, I wish to express profound gratitude to the Vietnamese party, Government, and people and the Vietnamese People's Army, in particular the Vietnamese fathers, mothers, brothers, and sisters who have sacrificed their cherished husbands and families to the liberation of the Cambodian people from the danger of the genocide committed by Pol Pot, Ieng Sary, and Khieu Samphan, and who have continued to employ all their physical and moral efforts to further assist the Cambodian people in building the motherland from scratch toward development in all fields, thus enabling the Cambodian people and Armed Forces to assume onto themselves the task of defending and rebuilding their land of Angkor. I will remember these brilliant deeds forever.

Once again, I would like to wish you, comrade, the best of health, zealous physical strength, and every success in the implementation of the present task according to the resolutions adopted by the Seventh Congress of the Communist Party of Vietnam. Through you, I wish to extend greetings to the wounded, disabled, and sick cadres and combatants as well. May all of them have good health and achieve new, still greater successes in the performance of the tasks entrusted by the party and people.

Comrade, please, accept my sincere salutations.

Chea Sim Presides Over Phnom Penh Induction

BK2607124591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 26 Jul 91

[Text] On 25 July, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council; and the venerable Bonze Tep Vong presided over the ceremony to induct Bonze Um Sum, head of the Phnom Penh clergy, as abbot of Mahamonthei monastery.

Bonze Um Sum was born in 1919 in Chirou commune, Tbong Khmum District, Kompong Cham Province. He became a novice at the age of 16 and was a monk at the age of 21. He enrolled at the High Pali School in 1948 and received a diploma in 1951. He used to be a Pali language teacher, a member of the Trai Beidak [Cambodian version of the Buddhist Triple Jewel scripture] Commission, and a high-ranking monk; gave sermons at the Cambodian Buddhist Association; and was forced to defrock by the genocidal Pol Pot clique in 1975.

In 1980, the venerable Um Sum reentered the monkhood with the assistance of the KUFNCD and was in charge of leading and organizing Buddhism nationwide. He was named head of the commission for disseminating Buddhism in the State of Cambodia through the publication of various books on the doctrine and general sermons.

Politburo Member Chea Soth Closes Festival

BK3107034391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 30 Jul 91

[Summary] The first Festival of Professional, Traditional and Modern Music and Song organized by the Information and Culture Ministry's Arts Department at the Basak Festival Hall was concluded on the morning of 30 July "under the lofty chairmanship of Comrade Chea Soth, Political Bureau member, member of the party Central Committee, and vice chairman of the Council of Ministers. Among those also present on this occasion were Comrade Kim Yin, member of the party Central Committee and director general of the Cambodian radio, and Comrade Nim Thot, vice chairman of the Central Propaganda and Education Commission."

For five days, professional musical bands from the propaganda, culture, and information service of various cities and provinces showed off their talents in a competitive spirit. The festival also held seminars to exchange experiences and knowledge on various aspects of traditional and modern music and songs. Many outstanding artists and musicians were uncovered through the festival.

"The first prize in the modern music, category A, went to the band of Interior Ministry's Political Department. In traditional music, category A, first place went to the modified Mahori music band of the General Political Department and the semi-modern traditional music band of the Interior Ministry."

"In traditional music, category B, first place went to the professional Pinpeat musical band of Pursat Province; the band from Svay Rieng Province; and the semi-modern traditional band from Banteay Meanchey Province."

After handing out trophies to the winners, Chea Soth made a speech and praised the efforts of all those involved in organizing the festival and said: "I would like to stress to all the comrades that our party and government have always paid attention to the development of national arts and culture."

Chea Soth also highlighted the role and merit of various types of traditional music and songs in national and social life and concludes by saying that:

"On behalf of the party and government, and in my own name, I would like to again express sincere joy and congratulations for the efforts of all the comrades to produce new works full of progressive meaning. Some songs even serve our political situation.

"I would like to take this opportunity to appeal to all comrade artists to continue their efforts to produce new works and raise the spirit to preserve the nation's cultural heritage and expand the social role of national arts and culture. Along with this, I would also like to appeal to local state authorities in all provinces and cities to pay attention to providing assistance and support to artistic and cultural activities and to further promote this movement, particularly in a number of provinces which have not sent teams to take part in this festival. I propose that these localities reexamine the administration and implementation of their artistic and cultural tasks, and more importantly, the possibilities and means to solve the problems relating to the promotion of this field, including the issue of instruments and artists. Research should be carried out to study the traditional musical heritage hidden in their localities.

"Encouragement should be provided to those who create artistic and cultural works and build artists' forces in their localities and transform these forces into a labor force contributing to building and defending the motherland and increasing the confidence of the masses in the State of Cambodia's party and Government."

Son Sen Urges Urgent UN Controls

BK3107012891 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 Jul 91

["Interview with His Excellency Son Sen, vice chairman of the Party of Democratic Kampuchea and commander in chief of the National Army of Democratic Kampuchea, by unidentified correspondents of the Voice of the National Army of Democratic Kampuchea and the Voice of Democratic Kampuchea" on 30 July; place not given—read by announcers]

[Text] [Correspondent] Greetings Your Excellency. You have just returned from the Supreme National Council [SNC] meeting in Beijing. What are your views of the meeting?

[Son Sen] The SNC met in Beijing and achieved more major results adding to the results achieved at the meeting in Phatthaya. His Excellency Khieu Samphan has already informed our compatriots about these results.

Personally, I would like to specify two issues. The first: Our SNC unanimously offered Samdech Norodom Sihanouk the SNC chairmanship. This was the continuation to expand and consolidate the results of the meeting in Phatthaya. Our SNC, with the samdech as chairman, is the beginning of the active work to restore Cambodia's peace, independence, and territorial integrity. Our Cambodian nation and people in and outside the country are very happy with this. Friends the world over also welcome this.

The second issue is the fact that the SNC has agreed to propose that the United Nations dispatch a survey team and UN personnel to supervise the cease-fire and the cessation of military aid. This is a major step forward in the efforts to solve the Cambodian problem. I think that the issue of UN control over the cease-fire and the end of military aid is the key issue to solving and ending Vietnam's war in Cambodia because Vietnam keeps sending Vietnamese troops and war materiel to the Cambodian battlefield and cooperate with the Phnom Penh side's troops to attack the Cambodian National Resistance Forces everywhere in large, small, and medium scale offensives, in areas in western Cambodia.

Without UN control, there is nothing to really guarantee the results achieved at the meetings in Phatthaya and Beijing. I think that it is necessary to urgently dispatch UN control teams to carry out the task on the spot. In the first step, the United Nations can send between 500 and 700 personnel. I firmly believe that the presence of the UN control team certainly will help to advance a comprehensive solution to the problem on the basis of the five permanent members' documents.

[Correspondent] How can our compatriots contribute to advancing a solution to end Vietnam's war of aggression?

[Son Sen] I think that our compatriots both inside and outside the country have a very important role in promoting a solution to the Cambodian problem quickly.

1. Our compatriots in and outside the country should cooperate with our SNC and call for the urgent dispatch of UN control teams—in successive groups until a sufficient number is reached—to supervise the cease-fire and the end of military aid.

2. In particular, our compatriots who have been set up to serve Vietnam's state authorities and troops over the past 12 years, please stop serving Vietnam and instead unite and join our SNC.

VODK Insists on UN Role in Settlement

BK2707031791 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 26 Jul 91

[Station commentary: "To end the Vietnamese war of aggression against Cambodia, it is necessary to have a UN force cooperating with the Supreme National Council in exercising overall supervision and control in the country"]

[Text] The ASEAN foreign ministers, at a meeting with their dialogue partners in Kuala Lumpur, called for a comprehensive political settlement of the Cambodian problem, stressing that the United Nations' major role remains important in achieving an eventual overall solution. The statement demonstrates that the international community must continue to advocate the necessity of the UN role in a political settlement of the Cambodian problem. This means that the United Nations should play an overall supervisory and control role—this is the most rational stance—in accordance with the framework blueprint of the five permanent members of the UN Security Council [UNSC].

In order to settle the Cambodian problem and close the books on the Vietnamese war of aggression against Cambodia, it is imperative that the UN force cooperate with the already operative SNC in exercising overall supervision and control over:

1. The definite withdrawal of all Vietnamese forces from Cambodia;

2. The cease-fire and cessation of military aid to all the warring factions; and

3. Free and fair elections in Cambodia.

Without the cooperation between the UN force and the SNC, violation of the already reached agreements will continue to occur. In particular, the Hanoi Vietnamese authorities, who continue to nurture their ambition of invading and occupying Cambodia forever, will certainly further encroach upon the cease-fire and cessation of foreign military aid agreements or the requirement that Vietnam completely remove its aggressor forces from the country.

As a matter of fact, the old Vietnamese invading forces—including troops, administrators, and over 1 million Vietnamese immigrants—who continue to be disguised and implanted for the purpose of further controlling Cambodia, have not yet been withdrawn. On top of this, taking the opportunity when the SNC has agreed to the cease-fire and nonacceptance of foreign military aid, Vietnam, as always, continues to ceaselessly transfer fresh Vietnamese troops, tanks, cannons, and ammunition to Cambodia with the intent of further launching offensives one after the other on the resistance-liberated zones. This is a reality which the Cambodian people have been well aware of and that the Vietnamese can in no way deny. As such, how can Cambodia regain peace and security? Indeed, Cambodia will continue to be insecure, as long as it is occupied by the Vietnamese, and unable to recover its independence and sovereignty, and the Cambodian people will continue to be deprived of their rights to self-determination. Consequently, the Cambodian problem can never be settled peacefully, and security and stability cannot be restored in Southeast Asia—no ifs, ands, or buts about it. This is the reason why the regional countries as well as the Cambodian people have repeatedly and earnestly demanded that a UN force with sufficient manpower cooperate with the SNC in exercising the overall supervision and control over the Vietnamese military withdrawal, the cease-fire, and the cessation of arms supplies to every faction to make sure that the peace process in Cambodia proceeds on the right path.

Only a strict verification jointly carried out by the United Nations and the SNC can ensure a definite settlement of the Cambodian issue. As a result, Cambodia can recover peace, security, independence, sovereignty, and territorial integrity, thereby restoring peace and stability in Southeast Asia and promoting development in the region.

Troops Reportedly Sent to Battambang Province

BK3107003491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 30 Jul 91

[Text] On 24 July, Vietnam dispatched three truck-loads of Vietnamese soldiers to the Phnum Srok District battlefield in Battambang Province. These Vietnamese soldiers disguised themselves in the uniforms of the Cambodian National Resistance troops.

Our people in Phnum Srok District are of the opinion that Vietnam continues its war of aggression in Cambodia, launches offensives against the Cambodian National Resistance Forces, and violates the cease-fire without any qualms. For this reason, it is necessary to send in UN control teams to carry out the task on the spot quickly.

Philippines

Reportage on U.S. Bases Draft Treaty Continues

Possible Scenarios Suggested

HK2907045991 Manila THE CHRONICLE in English 29 Jul 91 pp 1, 6

[By staffmember Johanna Son]

[Text] Forecasts of the "death" of the proposed bases treaty stir up contrasting images of economic doom for some senators, constitutional limbo for others, and a fresh start for yet other quarters.

But the accord's rejection—almost certain in a Senate caucus vote scheduled for today—would definitely deal an embarrassing rebuff to an already besieged Presidency in the twilight of its term.

"This is really a test of her Presidency," explained Sen. Neptali Gonzales, who like several others wish Mrs Aquino would use her powers less sparingly with Congress.

As things stand, it is the pro-bases bloc that has been split by the accord. Some say they can accept the accord and will vote "yes." Others have defected to the "no" camp, finding the agreement unacceptable.

But other senators say the issue is too crucial to "give" to Mrs Aquino, apart from the fact that the 1992 polls are nearing and she is not seeking reelection anyway.

Pro-bases senators—caught between general support for the bases and the accord's defects such as "low" compensation and absence of a labor provision—have backed proposals that the bases' fate be determined by the next government.

Even some staunchly anti-bases senators acknowledge that that is exactly what could happen.

As the senator's publicly stated opposition grew over the past week, members of the chamber have raised different scenarios as consequences of a rejection of the agreement.

Senators open in principle to a bases extention have said that rejection—at a time the Philippines is in bad financial straits—would have consequences beyond the bases proper and damage Manila-Washington ties on the whole.

Those who remain opposed to the U.S. bases view as normal, if baseless, these fears of separation, and argue that the two countries' ties cannot be based solely on the bases.

There are other factors, such as the uncertainty of the bases' legal status and practical fate if a treaty is not in place and ratified by Sept. 16 as mandated by the Constitution.

Legislators have long warned of a "constitutional crisis" if there is no agreement by that date, because of the conflict between the Constitution and the Ramos-Rusk proviso that gives the U.S. an additional one-year pullout period after Sept. 16, 1991.

The Constitution bars foreign bases without a treaty, so that the US has to "begin" pulling out, according to Senate President Jovito Salonga and Senators Wigberto Tanada and Rene Saguisag.

"We invoke the Constitution, they invoke the Ramos-Rusk...that means they will deal with the next Administration," Salonga said.

In such a legal standoff between Manila and Washington, Salonga admitted that there is "enough authority in international law" for an international agreement (the Ramos-Rusk accord) to supersede domestic law (the Philippine Constitution).

"If we reject a treaty we are sending a message that we are cutting off our ties with the West, which is not good since the U.S. is very influential not only in terms of military but also economic and social aspects," Sen. Edgardo Angara explains.

The U.S., he adds, "wields tremendous influence" in international agencies and "in these hard times we may need their help."

Ambassador to the U.S. Emmanuel Pelaez warned senators Wednesday night that rejection of a new treaty would "strain" Manila-Washington ties and dampen American "enthusiasm" for the Philippines in general.

The U.S. may decide not to "cooperate" over ensuring Philippine quotas for sugar, garments, coconut oil and endanger other exports like carrageenan, he said.

Osmena recalls that the Philippines enjoys a favorable balance of $1 billion with the U.S. and is scheduled to get $200 million in military aid under the accord.

Pelaez, according to sources, said the denial of military aid could agitate the armed forces. "In other words, bake magka-coup ulit [there might be another coup] the sources pointed out.

Sen. Leticia Shahani sees it, thus: "The economic agreement, more than anything, is overwhelming."

Anti-bases senators have long viewed the bases differently. For them, the major factor is not compensation, duration of the treaty itself that counts but so-called "sovereignty."

Sen. Rene Saguisag, for one, finds the image of a retaliatory U.S. an exaggeration because "the American is basically a decent fellow" and wouldn't use "stark vindictiveness."

"Some say that this agreement is better than nothing. I say that 'nothing' is better," he adds.

Curiously, the onus in the bases debate has shifted from the anti-bases bloc to the moderate and openly pro-bases ones, who as a bloc would have been able to sway the chamber's vote.

Osmena, Herrera and Sen. Heherson Alvarez point out that they are in principle for a bases extension, but are finding it extremely hard to accept the defective portions of the accord.

Sen. Ernesto Maceda said he has decided to vote no, calling the pact "203 (for the $203 million yearly payment) pieces of American silver" for which the Philippines solid its dignity.

Only Senators Neptali Gonzales, Vicente Paterno and Angara have openly stated they can accept the accord as is, though they wished it could be improved.

In an effort to "save" the Philippine-U.S. agreement from outright rejection, some of these senators have aired all sorts of options: sitting on the accord or letting the Sept. 16 deadline pass without any action; renegotiation; having a one-year "interim" treaty as goodwill and to let the new government to work out a better deal.

The one-year respite under the Ramos-Rusk exchange of notes and the one-year "interim" treaty proposal achieve the same purpose—a breathing spell for both countries. That one-year period, previously a defense invoked by the U.S. Government, appears ironically to be shaping up as a way out for the Philippines.

Today's caucus, while not 100% binding, would give a "very important indication" to the Palace of the chances of ratification, Shahani said.

The bases debate has produced internal irritants as well, as some senators chafe at what they perceive to be the "no" bloc's tendency to portray those in favor of the accord as holding the wrong stand or being less nationalistic.

For one, Shahani objected to Salonga's ticking off the names of "anti-bases" senators at a recent press conference, and said: "I'm sorry I have to say this, but he should avoid this very partisan thing." Two other senators observed that Salonga's eagerness to see the accord thumbed down were clearly his "(1992) politics."

Meantime, the public is watching what the senators do, more than what they say.

'Analysts' Rule Out Investor Panic

HK2907050091 Manila THE CHRONICLE in English 29 Jul 91 p 3

[By staffmember Rodney Diola]

[Text] Stock brokers and analysts see a rejection of the Philippine-U.S. bases treaty in its current form but rule out panic in the financial system in case of a total military pullout by the Americans.

Research outfits of four securities firms interviewed by the CHRONICLE said it's the jockeying for 1992 elections, not the U.S. bases, which will determine the long-term prospects of the stock market.

"A rejection of the treaty will not kill the market," said A & A [expansion unknown] Securities research chief Louie Bate."

Bate said local businessmen are becoming "less sensitive" about the issue with the planned closure of Clark next year and the "disappointing" compensation package.

Baring Securities research director Joey Salceda said the treaty in its current form will likely be rejected by the Senate.

"Investors, however, should not be carried away by the distractions of an expected vociferous Senate ratification process. We are confident a refined version will be "renegotiated" which will allow another photo-finish approval before the expiry." Salceda said.

R. Coyiuto Securities chief of research Joseph Roxas said an American pullout can only trigger a "short-lived sell-off."

The local stock market is a confident one, supported mostly by local investors, he explained.

Peregine Securities senior analyst Marjorie Balbuena said the market in fact already digested the low base compensation and the effects of Mt. Pinatubo by falling below the benchmark 1,000 point level.

But it is highly unlikely, she said, for the market to crash back to the 500 points level in October last year if the U.S. does decide to pull out, she said. The local market took a tailspin during the military-led Mindanao uprising last year.

Strong corporate earnings this year and expectations of a strong economic rebound in 1992 will enable the market to stay afloat, Balbuena said.

Balbuena insisted a total pullout of the Americans is a "remote possibility" but agreed with Salceda that the new treaty will have to undergo further changes first before the Senate agrees to ratify it.

Salceda argued that while the fate of the treaty now hangs with the Senate, an assessment of the political configuration favors its eventual ratification before the September deadlined.

"Given the regional and geopolitical implications, a new treaty should at least remove the principal source of political uncertainty in the country," he said.

Bate said he personally favors the retention of U.S. military facilities in the country, pointing out that they serve to reassure foreign businessmen.

"The low compensation, however, seems to make no difference anymore. It only goes to show that Americans' absence will not strangle us" he said.

Bate said the removal of the bases, in fact, could take out the divisive and contentious issue among Filipinos on whether they should be retained or not.

But he said the realization of the diminished value of the base should not lead the country to the fallacy that it doesn't need foreign investments anymore.

Bate also downplayed the role of the U.S. bases in triggering a dramatic change in country's economic prospects which could trigger a stock market bull-run.

"There is just not enough fundamentals on the bases to spark a major market rally," he said.

In fact, he said, foreign managers rarely single out the bases as a factor influencing their decisions to come into the country, he said.

"The biggest issue is still 1992 and how the next administration will be able to provide employment and keep business moving," according to Bate.

Salceda said that despite the reduction in American rentals and spending, the continued stay of U.S. facilities will benefit the country considering that investors can at least start to look forward on their Philippine stakes from a firmer base.

Salceda, however, asserted that the 1992 election may yet be the proverbial "light in the tunnel" for the country.

The new President, he pointed out, will enjoy a fresh mandate which is expected to translate into less coup attempts.

"The new President will not have to decide on such contentious issues as the U.S. bases and the IMF negotiations which should be resolved in the last months of the Aquino government." he said.

Salceda said the next President will also likely be more decisive than President Aquino.

"He or she will likely parallel the experience of Mexico's President Carlos Salinas de Gortan who is now reaping the fruits of reforms set by his extremely unpopular predecesor, President de la Merced," Salceda said.

Roxas of R. Coyiuto Securities said a stock market upturn late this year will depend on the effect on the foreign exchange rate on the phasedown of the import levy starting August.

Roxas said the peso might take a free-fall again given the pent-up demand for imports among manufacturers who are preparing for the holiday season.

"The third quarter is usually the time when demand for foreign exchange is strongest," he said.

The peso appreciated by at least 1% in the first half.

Baring's Salceda said they see the peso depreciating by a mere 3.4% to P29 to $1 by yearend.

Twelve Senators Reject Treaty

HK3007140191 Hong Kong AFP in English 1345 GMT 30 Jul 91

[Text] Manila, July 30 (AFP)—Twelve Philippine senators on Tuesday rejected a proposed new 10-year lease on Subic Naval Base, scheduled to be signed by Washington and Manila before the current agreement expires in a fortnight.

The informal vote dashed President Corazon Aquino's hopes of a smooth ratification of the draft agreement, which she said should bring more foreign aid to the cash-strapped Philippine economy.

Subic is the main supply and repair yard of the Japan-based U.S. 7th Fleet and is a key component of the U.S. security setup for the Pacific and Indian Oceans.

The Philippine Constitution states that any international agreement entered into by the executive is not valid unless ratified by at least a two-thirds majority in the Senate.

Senate President Jovito Salonga told reporters after the body was briefed by foreign secretary and chief bases negotiator Raul Manglapus that 11 members of the 23-seat Senate were "unconditionally against" the draft treaty.

"Including me, there would be 12," he added.

Mr Salonga said "only one voted in favor but with reservation," one abstained, another voted against but with reservation, and a fourth senator withheld his vote. Seven senators were absent from the briefing.

Mr Salonga declined to say who took which stand.

Observers say the senators are mainly opposed to the lower compensation offered by Washington, and the length of the new agreement.

Mr Manglapus and chief U.S. negotiator Richard Armitage reached agreement two weeks ago to draft a new military bases agreement on a fresh 10-year lease on Subic worth 203 million dollars a year, down from 481 million dollars a year under the current accord.

The draft accord called for U.S. forces to quit Clark Air Base, abandoned after it was devastated by the eruption of the Mount Pinatubo volcano, by September 1992, a year after the current lease on Clark and Subic expires.

During their briefing for the senators Tuesday, Mr Manglapus and other Philippine negotiators rejected a proposal made by one senator for an interim two-year treaty which they said might be rejected by Washington, Mr Salonga said.

He added that the briefers told them that if there were no treaty signed by September 16, the Philippines "will have to insist on the application of the constitutional provision" that no foreign bases be allowed on Philippine soil by September without a treaty ratified by the Senate.

Manila wants the compensation offer to appear in the "mother treaty" instead of putting it in a "side letter" to be attached to the agreement as proposed by Washington, Mr Manglapus said in a letter to the senators, made public by the Senate on Tuesday.

The senate, furious over Washington's decision to reduce by 2.5 percent Manila's quota sugar exports to the United States, has vowed to vote down the U.S. proposal if compensation levels were not stated in the main document itself.

Manila also wants the U.S. Government to consider the accord as a treaty, but Mr Manglapus said in his letter that American negotiators have told him "it is up to President (George) Bush to determine whether to submit it to the U.S. Senate for ratification or not."

The letter warned that "a reopening" of the issues already agreed upon by the two sides "will definitely lead to a collapse of the talks and its concomitant adverse effects for which we are ill prepared."

Effects of Rejection Discussed

HK3107023691 Manila THE CHRONICLE in English 31 Jul 91 p 1

[By staff member Johanna Son]

[Text] Thirteen senators rejected last night the proposed bases treaty in a survey conducted by Senate president Jovito Salonga after a heated three-hour briefing by Filipino base negotiators.

The 13 votes are more than the eight needed to block ratification of the accord, which has yet to be signed by Philippine and American governments.

The rejection sent a clear message to President Aquino that the Senate is in no mood to accept the treaty, which has yet to be formally referred to the chamber.

Salonga declined to reveal the names of 16 senators he polled until after the straw vote is completed today. But he was one of 12 senators who voted an "unconditional no" on the pact. The 13 voted no but with reservations.

Only one senator voted in favor of the accord. Another senator said he had "no position" as yet, and yet another one wrote: "I reserve (my position)."

Senators on both sides of the bases debate said members hardly changed their positions during the briefing by Foreign Secretary Raul Manglapus, Finance Secretary Jesus Estanislao, Defense Undersecretary Feliciano Gacis and American affairs chief Raul Rabe.

"The situation is status quo," Sen. Leticia Shahani said. "Not much has changed."

"Basta itong bullshit artist na si Jess Estanislao, kulang na lang tumayo at kumanta ng 'God Bless America'," [That bullshit artist Jess Estanislao, the only thing he did not do was sing 'God Bless America.'] Sen. Rene Saguisag said.

Sen. Juan Ponce Enrile described as "window-dressing" Estanislao's contention that the bases package was actually a $1.1 billion deal.

Estanislao included in his list of economic benefits not just sugar and textile quota and U.S. aid but loans by the World Bank and international Monetary Fund as well, the senators said.

Discussions centered on the effects of the Senate rejection of the treaty, which Manglapus said would have "negative implications" on Philippine-U.S. ties.

He added that the Philippines—while sticking to a constitutional provision that bars any bases extension without a treaty—expects the U.S. to invoke the Ramos-Rusk Agreement if the Senate rejects the treaty.

In that case Senate President Pro Tempore Sotero Laurel said Manila would have to resort to "public opinion" to let the U.S. know that it was time to leave.

Salonga added that Estanislao explained the "financial benefits of this treaty and, by inference, the economic detriment to the Philippines."

Sen. Vicente Paterno, who said he could accept the accord, said its rejection would sour not just Philippine-U.S. ties but Manila's relation with Japan.

Twenty-two senators attended the closed-door meeting, but several left before it adjourned at 8 p.m.

Manglapus 'Still Hopeful'

HK3107103591 Hong Kong AFP in English 0856 GMT 31 Jul 91

[Text] Manila, July 31 (AFP)—Foreign Secretary Raul Manglapus said here Wednesday that he was still hopeful that the Philippine Senate will ratify a new bases agreement with the United States despite an informal vote rejecting the pact.

"I think that it is premature to judge a treaty that has not yet been signed," Mr. Manglapus, head of the panel that negotiated a treaty extending the U.S. lease on Subic Naval Base, told journalists.

Twelve of the country's 23 senators on Tuesday gave the thumbs down to a proposed new 10-year U.S. lease on Subic, scheduled to be signed by Washington and Manila before the current agreement expires in September.

"We're hopeful that we can show to the senators, as we did yesterday, that all their apparent objections can be answered," Mr. Manglapus said.

"We're hopeful that when the time comes and the ratification process begins, that there will be acceptance of the treaty."

The straw vote conducted by Senate President Jovito Salonga dashed President Corazon Aquino's hopes of a smooth ratification of the draft agreement, which she said should bring more foreign aid to the cash-strapped Philippine economy.

To take effect, the treaty must be ratified by two-thirds of the Senate. Only nine nays are enough to block ratification.

Subic is the main supply and repair yard of the Japan-based U.S. 7th Fleet and is a key component of the U.S. security setup for the Pacific and Indian Oceans.

Aquino Assures Help for Workers

HK3107053591 Manila MANILA BULLETIN in English 31 Jul 91 pp 1, 22

[By Olaf S. Giron]

[Excerpt] President Aquino and U.S. special negotiator Richard Armitage gave separate asurances to Sen. Ernesto Herrera yesterday on the commitment of both Philippine and American governments to help the thousands of displaced base workers recover from their losses as a result of Mt. Pinatubo's eruption and the American decision to close down Clark Air Base (CAB).

In a meeting with Herrera, the President said the government is working on the appropriation of a $20-million or P600 [Philippine pesos]-million support fund for livelihood and training programs for the displaced workers as part of the compensation package stipulated in the new RP [Republic of the Philippines]-U.S. bases agreement.

The President said she shares the concern of Herrera over the welfare of the 42,000 Filipino workers affected by the closure of Clark and that she has given instructions to Foreign Affairs Secretary Raul Manglapus to look for ways of safeguarding their interests during the final stages of the negotiations. [passage omitted]

U.S.Criticized on Sugar Quota Cut

HK3107045991 Manila PHILIPPINE DAILY INQUIRER in English 31 Jul 91 p 4

[Editorial: "Sugar-Coating the cut in RP's [Republic of the Philippines] sugar quota"]

[Text] Diplomats are trained to lie for their country. So U.S. embassy spokesman Stanley Schrager can hardly be faulted for declaring with a straight face that there was no connection between the proposed bases treaty and the withdrawal by his government of 2.3 percent of the sugar quota it had assigned to the Philippines in 1986.

But sugar-coating the reduction to 13.5 percent of the Philippine quota to clear the U.S. of any suspicion of duplicity seems unbecoming of the President and the top Filipino diplomat. When asked about Sen. Wigberto Tanada's expressed concern that the U.S. might be tightening the economic screw to pressure the Senate into ratifying the proposed bases treaty, President Aquino flatly denied any linkage between the two. Said she: "I find it reasonable that a quota that had been taken from South Africa and given to the Philippines temporarily should be returned to South Africa with its renunciation of apartheid." Foreign Secretary Raul Manglapus' explanation was an echo of the President's. "The sugar quota of South Africa has been restored because of the improvement in the internal political situation there," he said. "Whatever is given to one country has to be taken from another."

It takes a mighty leap of faith to accept the purity of U.S. intentions, knowing how it carefully sifts, weighs and calibrates its policy decisions. Ms. Aquino and Manglapus made it. But there are quite a number who saw the folly of even attempting it. Tanada was one. Sen. Ernesto Maceda was another. And then there was Rep. John Kerry of Massachussetts, who said the U.S. may be sending the wrong signal to the Philippines. Kerry asked in particular why the U.S. took away the quota for South Africa from the Philippines when an amendment to the Anti-Apartheid Law he himself introduced assigned that portion permanently to the Philippines.

No one will argue against rewarding President F. W. de Klerk for dismantling apartheid in South Africa. But considering the other dividends his country will reap from the lifting of U.S. economic sanctions—the return of U.S. investments, the reopening of the U.S. market to its major exports like gold—the restoration of the sugar quota won't even make up the icing on the cake.

In contrast, the loss of 48,758 tons in sugar exports to the U.S. means a reduction by about $13 million to $15 million of badly needed foreign exchange earnings for the Philippines. Also because of it, Philippine sugar authorities estimate that 12,000 workers will be thrown out of jobs. These are losses the country cannot easily absorb in the face of falling exports and a 15-percent unemployment rate to which has been added the 42,000 workers left jobless after the U.S. pullout from Clark Air Base and several hundred thousands uprooted from the towns devastated by the eruptions of Mt. Pinatubo.

Given these gigantic problems, it seems strange that Ms. Aquino and Manglapus should assure the U.S. that they perfectly understood its reason for cutting a substantial portion of the Philippine sugar quota. They could have asked why now when the economy is a shambles. Or why take all of the quota from the Philippines when it could be spread out among all the countries exporting sugar to the U.S.?

Were they perhaps unaware of the Kerry amendment? Or worse, did they knowingly collaborate with the U.S. in trying to pressure the Senate into ratifying the treaty and deceiving the Filipino people?

In the bases negotiations, Manglapus demonstrated that he won't hesitate to hedge or dissemble so he could hand the bases over to the Americans. When U.S. negotiators slashed the compensation to $203 million a year from their initial offer of $360 million, he was quick to accept and tell Filipinos they were getting more than the original Philippine demand of $825 million. Now he is just as quick to accept without question and justify a U.S. decision that would deprive thousands of sugar workers and their families of their livelihood.

If Manglapus has a limitless capacity to absorb humiliation, if he can't sense blackmail of the most glaring kind, the least he can do is refrain from peddling them as reasonable decisions. For all his glibness, he must know deep in his heart he can't fool all the people all the time.

Plan To Sell Military Camps Land Reported

HK3007004791 Manila MANILA BULLETIN in English 27 Jul 91 pp 13, 15

[By Rex Aguado]

[Text] Desperate for cash to finance its ambitious program to prepare the sites of the United States military bases for civilian use once they have been reclaimed, the government has unveiled a plan that could make any realtor's mouth water. To raise some P[Philippine pesos]98 billion in the next 10 years, the government has put up for grabs the last virgin territories in Metro Manila. A total of 1,535 hectares [ha] in nine military camps will be sold or converted into more profitable uses starting late this year up to 2000.

Of that, 723 ha is in Fort Bonifacio and lies next to the posh subdivisions of Forbes Park and Dasmarinas and is just a few minutes ride away from the bustling Makati business district and 173 ha, which includes a golf course, is in Villamor Air Base, neighbor to the tony Magallanes home and business complex and the international and domestic airports. The rest comes in smaller tracts ranging from less than a hectare to 16 ha.

The greater part of these camps will be kept for Philippine military use, such as housing, for instance.

The combined areas of all nine camps comes to 2,838 ha, about 4.5% of Metro Manila's area, with most of them nestled in prime business, residential and commercial districts.

Fort Abad, the headquarters of the Philippine Navy, sits on a valuable 6,070 square meters along Roxas Blvd., by the bay. The site's value is expected to more than double with the planned reclamation project next to it.

The other camps and the land sizes they are disposing of are: Atienza (5 ha), Melchor (a hectare), Bago Bantay (5 ha), and the AFP Medical Center or the V. Luna Hospital (16.3 ha), all in Quezon City; the 2 ha Camp Ver, in Pasig, near the Ortigas center; and Camp Claudio (2 ha), along the Manila-Cavite coastal road.

The 28 ha Camp Crame will be retained as the headquarters of the Philippine National Police, while Camp Aguinaldo will be reserved for the Department of National Defense [DND] and the headquarters of the Unified Command of the three branches of the armed forces, namely the Army, Navy and Air Force.

Malacanang Park, the home of the Presidential Security Group, will be left untouched. A part of Villamor will be reserved for the Presidential Airlift Command. There are no specific plans yet for Camp Panopio, the PNP's hospital in Cubao. All in all, the DND, the AFP [Armed Forces of the Philippines] and the PNP will be allowed to retain 440 ha of property in Metro Manila.

The government, through the joint Legislative-Executive Bases Council [LEBC], plans to convert some of these camps into commercial, business, residential and recreational centers. Some may be sold to the public directly, while others may be developed by the government by itself or in partnership with private groups.

An estimated P97,92 billion will be raised from this venture. The money, by the LEBC estimates, should be enough to finance the government's P78.5-billion plan to convert Clark Air Base into a civil aviation complex and Subic Naval Base into a maritime industrial complex. Part of the proceeds of the disposition of the Metro Manila camp lands will cover the P13.5 billion needed to finance the transfer of some units of the AFP and agencies of the DND into the reverted US military baselands and the modernization of the armed forces, especially the navy and the air force.

According to Pangasinan Rep. Jose de Venecia, chairman of the House committee on foreign affairs and a member of the LEBC, the damage wrought by Mt. Pinatubo on Clark and Subic could raise the cost of converting the two camps to P100 billion or more. The plan to convert Clark into an aviation complex, to be complemented by an avionics and computer industry nearby, may even be revised.

There are apprehensions in the government that the money from the disposition of the camp property would not be enough to cover the cost of the LEBC's plans. The only way to forestall this, many government officials believe, is to develop the vacated Metro Manila camps into real estate ventures with higher returns. The conversion plans for the metro camps, drawn up by the LEBC prior to Mt. Pinatubo's eruption, involve two stages. The first covers the conversion of five camps with a total area of 657 ha; parts of Villamor Air Base and Fort Bonifacio; Camps Clandio and Bago Bantay; and the AFP Medical Center.

In the second phase, six military camps with a total area of 277 ha will be converted to civilian uses. These are the other parts of Villamor and Bonifacio; Camps Ver, Melchor, Atienza and Fort Abad.

In Fort Bonifacio, the headquarters of the Philippine Army, 498 ha will be converted initially. Fifty-six hectares wil be used as the site of high-rise and high-value condominiums, while another 141 ha will be allotted for low-density residential subdivisions. In addition, 45 ha will be reserved for military housing. The existing Fort Bonifacio golf course with a renovated clubhouse will be retained while a centrally located 10 ha property is proposed for commercial facilities.

A 123 ha "mixed-use, non-polluting industrial park" in Fort Bonifacio has been proposed to complement the existing industrial park at the Food Terminal Complex where micro-chips and electronics industries have located.

In the second phase of the Fort Bonifacio conversion, 60% of the land for disposition will be allotted for low-cost residential and commercial developments.

Camp Bago Bantay, the headquarters of the National Capital Region Defense Command Security Battalion, wil be developed into a multi-story housing project.

The AFP Medical Center will be redeveloped into a specialized hospital; 1.8 ha will be set aside for a revenue-earning, mixed commercial development. To complement the surrounding land uses, the LEBC proposes high-rise housing.

The Philippine Navy headquarters in Fort Abad, and the proposed reclaimed area on its coastline side, "will be converted to mixed-use development compatible with the development trends in the vicinity."

Cam Ver, site of the Rizal provincial jail and headquarters of the 73rd Infantry Battalion, will be developed for mixed use aiso.

The futures of Camp Melchor, home of the AFP Research and Development Center, and Camp Atienza, headquarters of the 51st Engineering Brigade of the army, will largely hinge on where the proposed Circumferential Road 5 will fall. If C-5 will not affect the camps, predominantly residential land use is proposed. If the new highway—which connects eastern Quezon City, portions of Marikina, Pasig, Taguig and Paranaque to the Cavite coastal road—cuts the camps into two, the LEBC recommends a predominantly residential land use for the northwestern section and mixed commercial and industrial use for the southeastern section.

Camp Claudio, adjacent to the Cavite coastal road portion of Paranaque, is eyed as the site of high-value condominiums and townhouses.

Prof. Vicente Valdellon Jr., a faculty member of the Asian Institute of Management and president of Property Barometers, Inc., a real estate consulting agency, notes that the LEBC plans were made with a "tactical eye."

"All in all, I think it's a rational plan, considering the factors prevailing during 1989 and 1990 when the plans were being drawn up. But there are some things missing. I guess the planners were just thinking that we have all these properties so what is the best we could do with them? There was little strategic thinking. That is, how the sites relate to the overall real estate picture of Metro Manila not only in the next few years but into the next ten years," he says.

Valdellon notes that plans for high-rise and high-value condominiums for parts of Fort Bonifacio were probably made during the 1989 rush for condominiums.

Property Barometers notes indications that there may already be a glut in the condominium market. Foreign buyers, who fueled the boom a few yeras ago, have largely zipped up their pocketbooks.

"But if Bonifacio is converted into low-density housing, the project will definitely fly," says Valdellon.

He notes that Makati's business core will continue to inflate, invading such posh residential enclaves as Bel-Air, Urdaneta Village, San Lorenzo and Forbes.

The rich occupants of these subdivisions will look for new lots. Ayala-Alabang has become a favorite but it's quite far. But if Bonifacio opens up, with its golf course and the planned recreation park, it could easily become the newest rich men's enclave in Metro Manila.

Valdellon, however, cautions the government against pushing for another giant commercial center inside the Bonifacio subdivision since this could turn off affluent buyers. "The best mix should be boutiques, small cinemas and specialty shops to service the upper scale neighborhood," he says. Definitely establishments like SM [expansion unknown] and other mega-shopping centers are out of the picture.

Valdellon finds the industrial complex plan near FTI [expansion unknown] as rational. Same goes for the housing projects for the other minor camps.

He believes that the best arrangement for the Navy's Fort Abad and the proposed reclaimed area should not involve new hotels or commercial hulks. His agency recommends office buildings and an artists' village for the site, considering its proximity to the Cultural Center of the Philippines complex.

He further advises that government should let private developers do the projects "because it's not the government's turf."

Florentino Dulalia of the Real Estate Brokers Association of the Philippines shares the same view. "I think the private sector could do it more efficiently. If the government decided to do all these projects by itself, it would be a lost opportunity for private developers."

Valdellon, however, has no problems over the proposal to convert part of Bonifacio into a memorial park and the plan to market the Villamor golf course to an international market.

The plans are part of the LEBC's "fast track projects" to be implemented this year. The government eyes an income of P3.17 billion from the two projects within the next three years.

Luis Pangilinan, the general manager of the Public Estates Authority [PEA] which is tasked with the fast track projects, believes that a memorial park is the best use for a 96 ha tract of Bonifacio land in the flight zone of the Ninoy Aquino International Airport. The park will eventually have a botanical garden, an amphitheater and an amusement park.

Pangilinan notes that nowadays even the dead of cramped Metro Manila are running out of burial grounds. Of course, the poor could still squeeze their dear departed in the cooped public cemeteries of the metropolis. The rich, however, are quite different from you and me.

The two major private memorial parks in Metro Manila—Loyola and the Manila Memorial Park—are already full and their latest expansion projects are already in Carmona and Montalban.

Pangilinan believes the proposed memorial park in Bonifacio could corner a multi-billion-peso market. Already the PEA and the Philippine National Bank are planning to issue some P5.6-billion-worth of securities in three tranches within the next three years. The PNB would act as the principal underwirter. A billion pesos from the sales would be used to develop the park, P3.4 billion would eventually go to the government for its conversion plans while P700 million will be deposited with the PNB as a "perpetual care fund."

This year, Pangilinan says they would probably issue securities worth P1.3 billion. Each share could cost p25,000, insuring the holder a 2.4-square-meter plot in the proposed memorial park. The certificates could be traded just like stocks.

Pangilinan says the PEA and the PNB are planning to set up a government-owned subsidiary to manage the marketing of the securities and the park probably for the first five years. The subsidiary will be eventually privatized.

Asked why the government would rather manage the park instead of passing it on to private developers, Pangilinan says: "Kasi may mga pumapasok na information na this project would go to the kamag-anak (of government officials). Para mawala "yang mga tqalks, we decided to just form a subsidiary." [We get information that some relatives of government officials wants in, so to end such talks we decided just to form a subsidiary]

Pangilinan says they were also hesitant to pass the project to private memorial park developers because this would involve conflicts of interest.

(Interestingly, the government, through the PEA, has not hesitated in joining up with heavyweight real estate developers such as Ayala Land, Inc. and Robinson's Land in the development of its 244-ha property in Alabang.)

This early, however, the memorial park project is getting some flak. For instance, Taguig-Pateros Rep. Dante Tinga is questioning the authority of the PEA to convert part of Fort Bonifacio into a memorial park. He said the uses of certain portions of Bonifacio are governed by republic acts which could only be revoked by a new congressional act. Tinga, says an aide, is even thinking of filing a case in court to restrain the PEA from pursuing the project.

Pangilinan, however, believes they have the authority under RA 274 to do what they want with portions of Bonifacio. He also cited the LEBC's mandate to the PEA to implement the fast track projects.

But Pedro Aquino, Tinga's aide, points out that RA 274, passed in 1948, allows the president to dispose of military land for other uses only if the beneficiaries are "the bona fide occupants of such lands and war veterans, including members of the U.S.-AFFE [expansion unknown], recognized guerrillas and deserving membeers of unrecognized guerrilla organizations."

Definitely, the PEA is not targeting that market.

Even De Venecia concedes that there might be some problem with the fast track projects, especially on the PEA's authority to implement them.

The only solution is for Congress to approve the creation of a bases conversion authority which would manage the disposition of the Metro Manila camps. A legislative resolution for such purpose, authored by De Venecia, was approved by the House sometime last year. The Senate, however, has its own version in the form of a bill sponsored by Senator Leticia Ramos-Shahani. Unfortuately, the bill has been gathering dust in the Senate.

Without congressional action, all the LEBC's grand plans for the Metro Manila military camps and the U.S. military bases would probably go the same way.

Developments in Marcoses' Return Issue Reported

Statement on Return Issued

HK3107074691 Quezon City Radyo ng Bayan in Tagalog 0605 GMT 31 Jul 91

[Statement issued by President Corazon Aquino; read by Executive Secretary Franklin Drilon; place not given—live, in English; monitored in progress]

[Text] When this government was installed in 1986, it vowed to go after ill gotten wealth and prosecute those who have stolen from and abused the Filipino people during the years of a dictatorial regime.

While this effort has been pursued, the family that benefited most from their tyranny has remained beyond the reach of Philippine laws. In some ways, this was of our own making. A ban on the return of the Marcoses had been enforced in the first few months of this new government. The wisdom of this decision was borne out by the fact that successive and continuing efforts to unseat this government through seven coup attempts have had the vigorous and active support all at times at least the (blatant) participation of the Marcoses and their cronies. Thus, since 1986, we have maintained that the return of the family would be a threat to public safety concerns and national security.

As recently as July 22 1991, this government asked the United States Immigration and Naturalization Services [INS] the departure control order on Mrs. Marcos, quote, be maintained until such time that the Government of the Philippines advises the Government of the United States that the return of Mrs. Marcos no longer constitutes a threat to public order and safety, close quote.

Today, the president has authorized me to make the following announcements:

Effective today, the Republic of the Philippines would interpose no objection to the return to the Philippines of Imelda Marcos, her children, including Mr. Manotoc and Mr. Araneta, and her grandchildren.

The Philippine Government will ask the United States to withdraw the INS departure control order to allow Imelda Marcos and her children and grandchildren to return to the Philippines.

The Philippine Consulate General in New York is hereby authorized to issue at any time travel documents to Mrs. Marcos, her children and their spouses, and her grandchildren that will allow them to return to the Philippines.

The travel documents are good for one-way travel to the Philippines. Once Mrs. Marcos and her children and all their spouses arrive, hold departure orders will be issued by the Bureau of Immigration and Deportation to assure their presence in the country during the trial of the criminal cases that will be filed against them.

The solicitor general is hereby ordered to file immediately tax fraud and other criminal cases against Mrs. Marcos and her children including their spouses. Solicitor General Chavez has informed me that he will file the cases by tomorrow. We are also warning any group that may want to use her return for political purposes against creating disturbances or starting activities intended to disturb the state of stability of the country.

While we are allowing the return of Imelda Marcos, the ban on the return of the remains of Ferdinand Marcos will continue. This action is being undertaken to let justice take its due course and in the hope that with the return and prosecution of Imelda Marcos, the Philippines will be ridding itself finally of the remaining ghosts of the dictatorship.

Ban on Marcos Corpse Remains

HK3107062991 Hong Kong AFP in English 0608 GMT 31 Jul 91

[Text] Manila, July 31 (AFP)—The Philippine Government Wednesday announced it was allowing former first lady Imelda Marcos and her family to return home to face criminal charges. But the ban on the remains of deposed dictator Ferdianand Marcos will stay, President Corazon Aquino's chief aide Executive Secretary Franklin Drilon said in a nationally televised press conference.

Mr. Marcos died and was buried in Hawaii in 1989, three years after a popular revolt ended his 20-year rule, sent his family to exile, and installed the Aquino government.

Mr. Drilon made the surprise announcement one day after disclosing that Manila had sought an extension of the ban on the former ruler's remains, and the return of his widow, now based in New York.

News Conference Held on Situation

HK3107100691 Quezon City Radyo ng Bayan in Tagalog 0610 GMT 31 Jul 91

[News conference held by Executive Secretary Franklin Drilon with Malacanang Press Corps at Malacanang Palace—live, in English]

[Text] [Reporter] Does your decision have anything to do with the suspension by Switzerland of cooperating with us in the recovery of...

[Drilon, interrupting] No, it has nothing to do with that. As you recall, the president previously made a statement that Imelda Marcos will be allowed to return to the country at the appropriate time in order that the freezing of accounts, of the Swiss accounts will continue [as heard].

[Reporter] Mr. Chavez told us he would be ready to file charges on October 20. What made you advance the filing?

[Drilon] The charges which Mr. Chavez was referring to were charges arising from the Swiss accounts. These cases that we will file tomorrow are those cases arising from her acts and omissions while she was a Philippine Government official.

[Reporter] Last question. So, what prompted you to order the filing now?

[Drilon] We assessed that we could handle at this point questions on public order and public safety.

[Moderator] Baretto.

[Baretto] Sir, may we know the reason why you are not allowing the return of the corpse of Mr. Marcos?

[Drilon] The matter of the corpse we believe can be used for political purposes and I recall to mind the letter of the Catholic Bishops Conference of the Philippines, signed by its ex-President Archbishop Leonardo Legazpi, dated 22 July 1991, which confirmed that it is not appropriate at this time to allow the return of the remains of the late President Ferdinand Marcos.

[Baretto] What will the government do if Mrs. Marcos insists on bringing home the body?

[Drilon] There is a circular from the Civil Aeronautics Board which will disallow any commercial airlines to bring the remains of Mr. Marcos, and we are confident that the United States will not allow the boarding of the remains of Mr. Marcos to be brought to the country in view of the position of the Philippine Government on this point.

[Baretto] Will there be any limitation to the movement of the Marcoses when they arrive here?

[Drilon] The moment they arrive, as I mentioned, the Bureau of Immigration and Deportation will issue a hold departure order so that we will be certain that they will be around to face the criminal charges that will be filed agianst them.

[Baretto] But can they do anything within the bounds of the law?

[Drilon] I'm sorry?

[Baretto] The Marcoses. Will they be allowed to undertake any activity within the bounds of the law?

[Drilon] Certainly.

[Baretto] They can move anywhere?

[Drilon] They can move anywhere in the country. I'm sorry, being a candidate in the election?

[Baretto] No. Can they hold rallies? Can they take part in rallies?

[Drilon] Well, that is part of the freedom of expression. As long as they do it within the bounds of the law, yes.

[Reporter] Sir, will the Philippine Government issue an arrest order on Imelda Marcos?

[Drilon] It is not the Philippine Government that will issue the arrest order. We will file appropriate criminal charges against them and the courts are expected to issue the appropriate warrants of arrest.

[Reporter] So, you expect the arrest warrant will be issued by the time they come here.

[Drilon] Solicitor General Chavez will file with the Ombudsman tomorrow the appropriate charges.

[Reporter] What if the Marcoses refuse to accept the offer?

[Drilon] There is no offer...

[Reporter, interrupting] I mean the opportunity for them to come here.

[Drilon] That is their own problem, not ours. We will file the appropriate cases against them.

[Reporter] Does the government have, or is the government convinced or confident that it is taking a risk worth taking?

[Drilon] Yes. We are confident that we can handle this situation.

[Reporter] Will they be given security again?

[Drilon] We will offer them security, but it is up to them whether or not to accept this. In 1986, they were offered security details, which is customary for all former presidents. This was never answered. We are willing to offer them again security details.

[Reporter] What will be the nature of the charges? Will this be in connection with the Antigraft and Corrupt Practices Act?

[Drilon] Yes. There will be tax fraud cases, antigraft and corrupt practice acts, basically tax fraud and the antigraft and corrupt practices.

[Reporter] How many charges all in all, sir?

[Drilon] I don't know the exact number. Mr. Chavez has the answer to that.

[Reporter] Sir, what does the government hope to achieve or gain by allowing the return of the Marcoses?

[Drilon] Well, as I mentioned in my statement, and let me read it to you again: This action is being undertaken to let justice take its due course and in the hope that with the return and prosecution of Imelda Marcos, the Philippines will be ridding itself finally of the remaining ghosts of the dictatorship.

[Reporter] We understand that the government petitioned the United States, the State Department, to extend the ban on the corpse beyond October 1. We would like to know what conditions or factors forced or made the government change its position on the return of Mrs. Marcos and her relatives.

[Drilon] Let me emphasize that the position of the government in so far as the remains of Ferdinand Marcos remains the same. It will not be allowed to be returned to the country even after October 1. In so far as Mrs. Marcos and her children are concerned, this matter was discussed in Cluster E several weeks back. We have made the recommendation to the president. It was the president who made the decision and she has authorized me to make this decision public today.

[Reporter] So, is it right to say that the Marcoses, Mrs. Marcos and her relatives, are expected any time if they want to return?

[Drilon] Yes. Once the travel documents are issued to them by our New York Consulate, they can return. There is a one-way trip to the Philippines.

[Reporter] Sir, is the government confident that the Marcoses are already a spent force, that they no longer enjoy a large following in the Philippines?

[Drilon] We are confident that we can handle the situation of the return of Imelda Marcos and her children. We are confident that we can handle it.

[Reporter] They are not capable of launching any big disturbances?

[Drilon] We are confident that we can handle any disturbance.

[Reporter] Mr. Secretary, are you confident that the government will be able to meet the October 20 deadline for the filing of criminal charges, considering that the documents in Zurich have not been acquired at this point?

[Drilon] The deadline is December 20. The reason why we place [as heard] October 20 is to enable the ombudsman enough time to process the charges against Mrs. Marcos.

[Reporter] Sir, related to her question, how will this affect our pursuit of the hidden wealth in Switzerland?

[Drilon] Precisely, this will show that the Philippines observes due process, that we have a judicial system that can stand scrutiny in terms of due process, and this should augur well for us in so far as showing to the Swiss authorities that we follow due process in our country.

[Reporter] Sir, do you have any idea on when the suspension on cooperation will be lifted?

[Drilon] There is no formal suspension. Are there any more questions?

[Reporter] What is the government's position should Imelda Marcos decide to try to run for president?

[Drilon] She can run for president if she has all the qualifications and non of the disqualifications. This is a free country. She has not yet been convicted.

[Reporter] May we know, sir, the difference between the criminal charges that would be filed tomorrow and the charges that would be filed on October 20?

[Drilon] The charges that will be filed not later than October 20 are those related to the Swiss accounts. The charges that will be filed tomorrow arise from violation of the National Internal Revenue Code and violation of the Antigraft and Corrupt Practices Act.

[Reporter] Can these charges that we will file tomorrow be applicable also in that October 20 [as heard]? What are really those charges that are to be filed on October 20?

[Drilon] These are the charges related to the Swiss accounts—forfeiture charges, possible antigraft charges. But these are all related to the Swiss bank deposits.

[Reporter] The charges that will be filed tomorrow cannot be used for the Swiss?

[Drilon] No.

[Reporter] Why, sir?

[Drilon] Because this has no relation to the Swiss accounts. In other words we must show in those charges that we will file in pursuit of the ill-gotten wealth that the Swiss accounts, that the money in the Swiss accounts were illegally gotten from Philippine coffers.

[Reporter] Sir, did you use the recommendation of the Cluster E?

[Drilon] Yes, the recommendation of the Cluster E several weeks back.

[Reporter] Have you decided what to do with the PCGG [Philippine Commission on Good Government]? You told us you were going to announce it.

[Drilon] I told you by next week. I didn't say this week.

[Reporter] Sir, may we know when the government will file the petition asking the State Department to lift the hold order on the Marcoses in the U.S.?

[Drilon] After this press conference.

[Reporter] Thank you. [laughter]

[Drilon] Let's be clear. The petition with the State Department was for them to keep the hold order until we decide otherwise. Now that we have decided otherwise, I think that changes everything. It was not a definite time that we asked for. We asked for them to hold it until we decide. Could be today.

[Reporter] Sir, don't you think that banning the return of the remains of Mr. Marcos would do more harm than good for the government? When do you think would be the appropriate time for the return of his remains?

[Drilon] At this point in time, I think the banning of the remains of Mr. Marcos will be good for the Filipino people, and we have not figured out when...and until further announcement, this policy stands.

[Reporter] Sir, exactly what political development prompted the government to reverse its earlier position, because I think a month ago you were quoted as saying that the Marcoses still pose a threat to the government or public order.

[Drilon] We have made this recommendation to the president as Cluster E chairman [as heard], and certainly until the president decides otherwise, the state of things remain the same. When the president decided in her best judgement that it is the best action the government could take, then we made the announcement. But we made the recommendation several weeks back, and it was up to the president whether or not to accept the recommendation and when the announcement will be made.

[Reporter] You said you are confident in handling any sort of disturbances that might come about due to her return. Are you also confident about handling the security of her well-being?

[Drilon] We will offer her security escorts. We will offer that to her and we are confident that we can handle it in so far as her own security is concerned. Of course, it is up to her whether or not to accept this offer. Okay. Is this announcement not enough yet?

[Reporter] Sir, what about the under secretaries and the assistant secretaries who are supposed to be considered resigned by the end of the...

[Drilon interrupts] I have no announcement about that yet. I have not seen that. And the day is not finished yet.

[Reporter] [question indistinct]

[Drilon] We have not set the date for both the local and national elections in accordance with the Supreme Court decision.

[Reporter] So you are giving up on the desynchronized elections?

[Drilon] The only way that you can overturn that is to have an amendment to the Constitution. I don't think that for such an issue we have to amend our Constitution at this point. So, we will abide by the decision of the Supreme Court in so far as the executive branch is concerned. I am not speaking for the legislature.

[Reporter] [question indistinct]

[Drilon] Well until it is declared unconstitutional, there is a presumption of validity. And besides, I feel that the president, by signing it early, actually did everybody a favor because then we have an early decision. As long as she did not sign it, it would remain unsigned and there would be no way that they could bring it before the Supreme Court. By signing it early, she was able to bring it to the Supreme Court earlier and I think this is the wisdom of that decision.

[Reporter] [question indistinct]

[Drilon] We will coordinate with Congress on this. I assume Congress will be filing the appropriate measure. We will do what is necessary in order to hasten the passage of this new law.

[Reporter] Sir, that law, will it ask for a simultaneous election?

[Drilon] Yes. It is not a question of batting for it. It is a question of the Supreme Court decision being followed.

[Reporter] Sir, one of the options being considered by Congress is to convene a constituent assembly to amend the Constitution to allow desynchronized elections. If and when Congress decides to take that move, will the executive support it?

[Drilon] My understanding is that Congress is not inclined to call a constitutional convention simply on this issue.

[Reporter] [question indistinct]

[Drilon] Because nobody knew that the decision was going to be made until the president decided.

[Reporter] Why the surprise decision? Why is there an element of surprise in such a crucial decision as this?

[Drilon] Well, I don't understand the question. If you don't know what's going on and then an announcement was made, you would be surprised, yes? What other explanations do you need?

[Reporter] I have a couple of questions. On the Commission on Good Government, are you inclined to give it some kind of shake up in the leadership?

[Drilon] I'm sorry?

[Reporter] On the Presidential Commission on Good Government. Given the [words indistinct], are you inclined to see some kind of reorganization of the leadership?

[Drilon] I would not like to comment on that at this point.

[Reporter] The second question is on the RP [Republic of the Philippines] fishing pact. When do you expect to have an announcement on what will be done on that?

[Drilon] Early next week, if not late this week.

[Reporter] On a minor issue, some of the employees of the Presidential Action Center were told that they would be staying in office until today. They would be terminated effective tomorrow. But some of them are complaining that they have not received three months or four months of their pay, their back pay. Will you assure them that they would be receiving this despite their termination?

[Drilon] My understanding is that their contracts expired on June 30. They are contractual employees. I must emphasize that we are retaining the services being rendered by the Presidential Action Center, however; the bureaucracy will be manned and the services will be done by those in the regular bureaucracy. The ones who are here already in the payroll. There are 98 of them. For instance, for reasons of a leaner bureaucracy and cost-saving, we cannot afford to maintain all those contractual employees—whose budget will run up to 20 million [no currency specified] to the end of the year if we will maintain them; they have already spent 8 million and another 12-million budget is being requested—for the sake of a leaner bureaucracy. We are not prepared to continue the services of these contractual employees whose contracts expired on June 30 of this year.

[Reporter] So, those whose contracts end at June 30 will be paid within the term of their contract.

[Drilon] Within the terms of their contracts, yes. Certainly, they will be paid. But we will continue with the Presidential Action Center, to be manned by the regular employees, by the Malacanang Public Assistance Center, which has an existing unit in Malacanang.

[Reporter] Sir, on the government authorization of the Marcos family's return, does this extend to General Ver?

[Drilon] No. The ban on General Ver continues.

[Reporter] What if the family brings him or Ver's son as security detail?

[Drilon] Unless they can prove that he is a relative, I don't think it will work.

[Reporter] [question indistinct]

[Drilon] I don't know which security you are talking about.

[Reporter] Mrs Marcos, their own security.

[Drilon] We will have to assess the situation on a case-to-case basis, like General Ver will not be allowed to return to the country.

[Reporter] Sir, is he not accused for the Aquino-Galman [murder]?

[Drilon] Yes. He has a pending warrant of arrest. But we will not [words indistinct] a decision based on national security.

[Reporter] Has your nomination been submitted to the CA [Commission on Appointments]?

[Drilon] Yes. It was submitted on July 16.

[Reporter] Sir, will Mr Ricafrente still be the head of the Presidential Action Center?

[Drilon] Mr Ricafrente will remain chairman of the LUWA [expansion unknown]. Is that how it's called?

[Reporter] How many contractors are definite ?

[Drilon] One-hundred-and-forty-eight to my knowledge

[Reporter] How much budget is alloted?

[Drilon] Twelve million [no currency specified] up to the end of the year.

[Reporter] Can you comment on the United States bases agreement in light of this straw vote that was taken last night; do you still feel confident you will be able to get it through?

[Drilon] I would prefer that Secretary Manglapus makes the comments on the Republic of the Philippines-U.S. bases treaty

[Reporter] Can you just say if it does fail, would it be an embarrassment to the country if we were not able to get it through?

[Drilon] Well, if the treaty is not ratified by September 16, we follow the provisions of our Constitution.

[Reporter] Does the president remain confident that the treaty will be ratified despite the straw vote?

[Drilon] We are confident and we hope that the treaty will be ratified.

[Reporter] Last question. When will you be holding the national consultation for the bases?

[Drilon] As of this time there are no plans in that area in that regard. Thank you very much.

Abadia Assures Military Readiness

HK3107123691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 31 Jul 91

[By Dick Synchongo, DZRH Unit No 6]

[Text] Armed Forces Chief of Staff Lizandro Abadia assures that the Armed Forces of the Philippines [AFP] is ready for any outcome when former First Lady Imelda Romualdez Marcos returns. In an interview with Malacanang news men, Abadia stressed that they will carry out any order or directive the government releases.

[Begin Abadia recording] We are set to do our job. If there are any problems, if that is what they want us to do, we will do it. [end recording]

At the same time, Abadia belittled the effects of the expected return of the former first lady, and said that the AFP doesn't need to be placed under red alert.

We are still waiting for the reaction of Defense Secretary Renato de Villa, who is presently in Bataan and unavailable at this moment.

Imelda Marcos Reacts to 'News'

HK3107123291 Hong Kong AFP in English 1130 GMT 31 Jul 91

[Text] Manila, July 31 (AFP)—Former Philippine first lady Imelda Marcos said Wednesday that she would come home to face trial despite President Corazon Aquino's refusal to let her bring her husband's remains back here for burial.

"I received the news with mixed emotions," Mrs Marcos said in a statement sent to news agencies here from her home in New York after Manila announced that she could return more than five years after going to exile and 22 months after her husband died in Hawaii.

She said the continuing ban on the return of the remains of deposed president Ferdinand Marcos was "unbelievable and cruel."

"If this will be another painful step in the fulfillment of my filial and sacred responsibility of bringing home the remains of my late husband Ferdinand back to our country, then with God's blessings, I accept to once more face trial this time before President Corazon Aquino's government in the long and painful odyssey to give eternal rest to a loved one in our motherland," she said in the statement.

No 'Official Stand' on Taiwan Fisheries Accord

HK2607114891 Manila PHILIPPINES NEWSDAY in English 26 Jul 91 p 3

[By Arthur I. Bariuad]

[Text] The Department of Foreign Affairs insisted yesterday that the Philippine government has yet to make an official stand over the fate of the Manila-Taipei fishery accord, pending the final recommendation of the four-man study group tasked to review the diplomatic and political implications of the agreement.

Foreign Affairs Undersecretary Pablo Suarez also said that any recommendation made by the study group has to be approved by President Aquino, who will then decide the official stand of the Philippine government on the controversial fishery pact.

The agreement, published by NEWSDAY last July 16, showed that both Philippine and Taiwan panels were authorized by their respective governments to sign the accord.

Suarez, who chairs the study group which includes officials from the justice and agriculture departments and the Office of the Executive Secretary, told diplomatic reporters that the task force is stil finalizing recommendations. He added that the study group would come up with its findings before the fishery agreement takes force August 8.

While Suarez denied reports carried by newspapers that the study group recommended the nullification of the fishery pact, he admitted that a draft memorandum for President Aquino was made, but stressed that such a draft only served as a basis for discussion.

"The draft (referring to the memorandum obtained by a select group of reporters) is something which is the basis of discussion," Suarez claimed.

The memorandum has suggested that the government "consider the so-called Agreement as neither valid nor invalid but merely as a record of discussions between Filipino and Taiwan representatives."

According to the memorandum, treating the agreement as a mere "aide memoire" "would appear to be the least disruptive of Philippine relations on both sides," referring to both the People's Republic of China and Taiwan.

The study group noted that if Manila would nullify the agreement it must be ready to face serious economic retaliation from Taiwan. It also warned that such move would imperil future prospects of exporting Filipino manpower to Taipei.

Another option being studied by the task force was to enforce the agreement, but it warned that if such course of action is taken, "it will damage seriously, if not irreparably our (Philippine) long-term and current relations with the People's Republic of China, casting doubt on the seriousness we attached to the One-China declaration and on the credibility of the Philippines as a sovereign and responsible state."

Suarez revealed that the Beijing government has already expressed "grave concern" over the agreement which would affect future RP-PROC relations.

Under the joint communique signed between the Philippines and PROC when they established diplomatic relations in 1975, the Manila government declared to recognize only the Beijing government as the sole and legitimate representative of the whole of Chinese people.

The controversial pact was regarded by both Philippine justice and diplomatic officials as a direct violation of the One-China policy.

Bishops Seek Creation of Election Task Force

HK3007011091 Manila MANILA BULLETIN in English 28 Jul 91 pp 1, 15

[By Robert R. Requintina]

[Text] The Catholic Bishops Conference of the Philippines (CBCP), in a pastoral letter to be read in today's sermon, called on parish pastoral councils and basic ecclesiastical communities to set up task forces in their parishes in connection with the coming elections.

The CBCP said that three "indispensable" requirements have to be met in the 1992 elections so that they will serve as a democratic instrument for establishing political leaders and securing changes in society beneficial to the people.

Entitled "Pastoral Letter on Preparing for the 1992 Elections," the bishops listed the requirements as:

1. A wise and informed electorate.
2. Conditions that will enable voters to choose freely.
3. People's organizations down to precinct level.

It urged the faithful to reject the typical politics of pay-offs, patronage, and personalities and instead asked them to vote on the basis of political, social, and economic issues and programs.

"We must know the candidates and the issues and pray to the Lord to show us whom he chooses to serve our people," the bishops said.

They said there should be guidelines that will enable voters to choose freely. The bishops said that the freedom of choice "is undermined by corruption, fraud, force, and intimidation."

The CBCP assailed candidates whose politics is based on "guns, goons, and gold." They said that those who resort to these do not deserve the offices they seek.

Candidates elected who are committed to these practices "will most likely use again the same means to pursue their personal interests and those of their patrons at the expense of the people," the bishops said.

"We must denounce them and their practices. We must exact a promise for those who hold and aspire for political power to foreswear such practices," they said.

The organization of the people down to the precinct level will deter the age-old practice of falsifying votes "at any cost," the bishops siad.

They also urged the Commission on Elections (Comelec) to be steadfast in guarding against fraud and ensuring the free expression of the people's will.

The CBCP said that another letter for the faithful's common reflection and strengthening as the elections draw nearer will be released soon.

Aquino Supports Call for Constituent Assembly

HK3107051291 Manila PHILIPPINES NEWSDAY in English 31 Jul 91 pp 1, 2

[By Dionisio Tubianosa]

[Excerpt] President Aquino yesterday supported her younger brother's proposal for the convening of Congress into a constituent assembly, saying she has no objection to it. But two senators, one her own brother-in-law, and the other her own former spokesman, said no to the idea.

Presidential younger brother Representative Jose Cojuangco (LDP [Struggle of Filipino Democrats], Tarlac) proposed Monday in a privilege speech in the House of Representatives that Congress convene itself into a constituent assembly to cure what he termed constitutional defects that might result he said in the country having no government if by June 30, 1992, the term of office of the current elective leadership expired and the newly elected officials, for one reason or another, had not yet qualified. Such a situation, Cojuangco said, might invite a power grab.

"Congressman Cojuangco's initiative is his own," Mrs. Aquino said. "Should Congress want to make any changes, they can do so under the law," she added.

Senator Rene Saguisag, Mrs. Aquino's former spokesman, called the proposal "an idea whose time has gone."

Senator Agapiot Aquino, Mrs. Aquino's brother-in-law, said: "We do not need a constituent assembly for that (the speculative possibility that a leadership vacuum may occur at the end of Mrs. Aquino's term)."

Senator Edgardo Angara said he was in favor of the move to amend the Constitution, but for the purpose of converting the present presidential system of government into a parliamentary system as he had previously proposed.

Convening Congress into a constituent assembly is the first step in one of the ways of amending the Constitution. Congress as a constituent assembly "proposes" amendments by three-fourths vote "of all the members of Congress." Once approved by three-fourths vote, the proposals will then have to be ratified by the majority of votes in a plebiscite called for the purpose. [passage omitted]

Number of Political Parties Increases for 1992

HK3107060791 Manila MANILA BULLETIN in English 31 Jul 91 p 8

[By E. T. Suarez]

[Text] The number of political parties registered with the Commission on Elections (Comelec) has swelled to 151 and more are expected to file petitions for accreditation as the 1992 national and local elections near.

A check with the records of the Comelec legal department showed that 121 of the 151 political parties already accredited by the Comelec cater to a national constituency while 30 are local in scope or will be fielding candidates in a limited scale.

Among the big political parties registered with the Comelec that are expected to put up a complete ticket from the presidency down to t he councilor in the coming national elections are the Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats] (LDP), Nacionalista Party (NP), Liberal Party (LP), PD-Laban [Pilipino Democratic Party-Nation's Strength], National Union of Christian Democrats (NUDC), Partido Demokratiko-Sosyalista ng Pilipinas [Philippines Social Democratic Party] (PDSP), Federal Party (FP), and Partido ng Bayan [People's Party] (PnB), Citizens Party (CP), Grand Alliance for Democracy (GAD) and the Kilusang Bagong Lipunan [New Society Movement] (KBL).

In the local level, the political parties expected to field candidates are Pusyon Bisaya [expansion unknown] in Cebu, Bicol Saro [expansion unknown] in Bicol, and Timawa Party of Iloilo.

Still seeking accreditation by the Comelec and expected to field a complete ticket in the coming national elections are the People's Reform Party (PRP) filed by former Agrarian Reform Secretary Mirriam Defensor Santiago and the Partido ng Masang Pilipino [Party of the Filipino Masses] (PMP) filed by Senator Joseph Estrada.

Santiago and Estrada have both announced their intention to run for president under the banner of their respective parties.

Commissioner Alfredo Abueg Jr., chairman of the Comelec first division, said the petitions for accreditation filed by PRP and PMP have been scheduled for public hearing on separate dates.

Abueg said if it turns out in the public hearing that PRP and PMP comply with the constitutional and legal requirements they will surely be accredited by the Comelec as political parties.

He said the Comelec requires the publication of the petitions for accreditation of political parties in at least three newspapers of general circulation.

"After due notice and hearing, the Comelec is required to resolve the petition within 15 days from the date it is submitted for decision," Abueg said.

Abueg said Comelec accreditation is important as it confers on the political party a juridical personality and entitles it to certain rights and privileges not available to parties not duly accredited.

"The reason for the proliferation of political parties could be the provision in the Constitutional establishing a multi-party system in the country," Abueg said.

Executive Order Allows Trade, Tariff Reform

HK3007101091 Manila BUSINESS WORLD in English 30 Jul pp 1, 6

[By Alex B. Reyes]

[Text] The Philippines opted for a gradualist rather than a "big bang" approach to trade and tariff reforms to insure the sustainability of the reforms, Socio-Economic Planning Secretary Cayetano W. Paderanga, Jr. yesterday told Business World.

Mr. Paderanga, also director-general of the National Economic and Development Authority, said the five-year transition period embodied in Executive Order [EO] 470 will allow industries to adjust to the lowered protection levels.

Had the EO, which reduces overall tariff rates and effective rates of protection on all imports, been implemented in one fell swoop, Mr. Paderanga said costs in the form of higher unemployment and displaced industries would be too high and might lead the next administration to reverse course on them.

"Why pay the price if your industries can't adjust?" he stressed, adding that other countries such as Mexico, which implemented its tariff restructuring plan quickly, incurred painful adjustment costs because of the swiftness of the reforms.

He explained that plants and factories take anywhere from one to three years to be constructed and fully operational, so that even most efficient and best-run companies will need time to retool and adopt new technology to compete with cheaper imports.

The new EO, signed two weeks ago by President Aquino, narrows the number of tariff bands from 9 to 4 with a 3-10-20-30% tariff structure, and also reduces the maximum tariff rate from 50% to 30%.

However, the EO carries exceptions for "sensitive industries."

Some goods, notably food and agricultural imports, will still be slapped the 50% maximum rate and interim tariff bands of 5-15-25% have been created for some products. But all the exceptions will be phased out by 1996.

Mr. Paderanga pointed out the new EO was a product of consensus and elaborate consultations with industry heads and representatives.

"I feel with the long hearing period, we got everyone's ideas, but, of course, not everyone will be happy."

The tariff simplification and reduction program is expected to lead to the closure of inefficient industries that sell only in the domestic market as they fail to compete with cheaper imports.

But it is also expected to create new industries and boost the competitiveness of the export sector since higher quality raw materials and capital goods will be available to export industries at lower prices.

"We feel we've addressed the most important difficulties that will arise," he said.

"But we also feel that we have set the general direction and tone for the economy. We're going towards more competition and more efficient production, with the end objective of providing better quality and lower priced goods for Filipinos," he added.

Investors Approve Disaster Rehabilitation Plan

HK2907054791 Manila BUSINESS WORLD in English 29 Jul 91 pp 1, 8

[By Marry Jane O. Llanes]

[Text] The Government has been getting fairly good ratings from foreign investors and, probably, some creditors for its handling of Pinatubo's continuing blow to Central Luzon and the overall economy, National Economic and Development Authority (NEDA) director general Cayetano Paderanga said in an interview.

Mr Paderanga, however, said extra care should be taken by the Government and prudent measures need to be adopted both on the fiscal and monetary side to curb inflation and avert a further swell in the country's already ballooning budget deficit.

The NEDA chief spoke before representatives of government agencies—particularly the Board of Investments (BoI), Securities and Exchange Commission (SEC)—as well as foreign embassies over the weekend on the recently passed foreign investments act.

"But we have been given good ratings so far and I am fairly confident that we can mobilize resources and deliver basic services in these areas (affected by Pinatubo)," Mr Paderanga said.

He added that on the confidence side, the Government still has to give both investors and producers alike the assurance that "we can handle the disaster, make up for the backlog in services as well as handle the fiscal side of these all."

"My guess is that producers and investors are watching how we can handle the problem particularly the financial impact. I can only say that we can do it well enough. We just need to maintain balance and watch carefully our inflation targets."

Earlier, NEDA raised its projections on the average inflation rate this year to 17.2% from the original 15% after a higher actual inflation rate of 18.42% was recorded for the first six months of the year.

The country's inflation rate reared its ugly head since last year amid natural and man-made disasters—droughts, coup attempts, earthquakes, floods and, now, the Pinatubo eruption—which hit the country in close succession, jacking up prices of goods and services, particularly in the Metro Manila area.

While on a macro-economic level Pinatubo's damage would seem to be minimal, on a geographic basis, Mr Paderanga feared that "the effect could be tremendous."

He did not, however, discount the fact that the damage wrought by the volcano's eruption on the area affected could pull down the overall economy with its latent nature of being a most important variable.

Police Appoint New Public Information Spokesman

HK2607111191 Manila DIYARYO FILIPINO in Tagalog 26 Jul 91 p 2

[Text] Cesar Nazareno, Philippine National Police [PNP] director general, named Senior Superintendent Reynaldo Wycoco as the new spokesman of the Public Information Office [PIO] of the Philippine National Police at Camp Crame, Quezon City, yesterday.

Wycoco officially took up his post yesterday, replacing Superintendent Cresenio Maralit who left on July 1 to attend an 18-month educational program at the Command and General Staff College in Fort Bonifacio. Maralit was spokesman for almost five years, serving with the PIO since 1986.

Wycoco told newsmen that he will make no changes in the PIO, and that he will continue cooperating with newsmen covering the PNP.

Before his appointment, Wycoco was chief of the PNP regional staff in Recom [Regional Command] 11 in Southern Mindanao.

Five Constabulary Generals Decide To Join Army

HK3007005191 Manila PHILIPPINES NEWSDAY in English 27 Jul 91 p 3

[By Dario B. Agnote]

[Text] Five constabulary generals, three of them from Camp Aguinaldo, have decided to join the Philippine Army, it was learned yesterday.

With the new development, the Armed Forces general staff and area commands are now predominantly composed of Army officers, in the wake of the gradual transition of the Constabulary's transfer to the Philippine National Police (PNP).

Major General Arturo Enrile, the Army chief, welcomed the five generals, including one area commander, in simple rites at Fort Bonifacio yesterday afternoon.

The five generals include Brigadier Generals Alfredo Filler, the AFP [Armed Forces of the Philippines] deputy chief for intelligence (J-2); Emiliano Templo, the AFP deputy chief for civil-military operations (J-7); Jose Ramiscal, the AFP deputy chief for comptrollership (J-6); Jesus Daclan, the commander of the Metropolitan Citizen Military Training Command (MCMTC), and Romeo Zulueta, the Visayas command chief.

Templo said PC [Philippine Constabulary] officers have been given until June 30 to decide whether or not they would remain in the PNP or join the Army. With Zulueta's decision to finally join the AFP through the Army all area commands are now headed by Army generals.

The five generals formed the first batch of star-rank PC officers to join the Army. earlier, PC Brig. Gen. Umberto Rodriguez, the AFP chief for logistics and plans (J-4), decided to join the PNP and was thus replaced by Navy Captain Danilo Delgado, his deputy.

Military personnel records showed that aside from the five generals, five colonels, five lieutenant colonels, eight majors, eight captains and three lieutenants have also joined the Army. At Camp Aguinaldo, the chief of the AFP Counter Intelligence Command (CIC), Col. Benjamin Libarnes, had also signified his intention to join the Army.

Filler, Templo and Ramiscal all belong to the joint staff of AFP chief of staff General Lisandro C. Abadia.

For a long time, the PC had dominated the leadership of the AFP but the decision of the first batch to join the Army has made the AFP Army-dominated.

Camarines Norte Residents Hold Anti-NPA Rally

HK2707011091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Jul 91

[By Benjie de Galicia, DZRH Unit No. 20]

[Text] More than 10,000 residents held the biggest peace rally against the abuses made by the NPA [New People's Army] in Region Five, Daet, Camarines Norte this morning. The rally was supported by students, government workers, private employees, the religious sector, barangay councils of 22 towns of Camarines Norte, the Philippine National Police, [word indistinct] Ladies' Circle, and the Returnees Foundation Incorporated. These groups jointly appealed to the NPA to stop their abuses in order to achieve peace and progress in the area. They said that almost every other day there are encounters between the military and NPA or attacks made by the NPA in the Bicol Region. The people condemned the NPA's acts of robbery and hold-ups. Lieutenant Colonel Superintendent Manuel Poras, Philippine National Police Provincial Director of Camarines Norte appealed to the NPA to abandon communism and help the government cope up with the present calamities. Meanwhile, the NPA failed in their ambush on Lieutenant Colonel Poras' men in Bicol National Park when they were visiting the military installation about four in the afternoon. No casualties or injuries were reported in the encounter.

Thailand

Prime Minister Talks With U.S. Commander

BK3107005391 Bangkok BANGKOK POST in English 31 Jul 91 p 2

[Text] Prime Minister Anan Panyarachun yesterday told the U.S. Pacific commander that the Thai thinking on security has undergone a shift from purely military concern to include political and economic dimensions, according to a senior government official.

U.S. Commander-in-Chief of the Pacific Command Adm Charles Larson yesterday paid a courtesy call on Mr Anan.

He is on a familiarisation tour of ASEAN countries and reportedly is looking for prospective sites in which to relocate the U.S. Airborne Force formerly stationed at Clark Air Base in the Philippines.

Mr Anan and the U.S. commander discussed the evacuation of the U.S. forces in the Philippines from their air and naval bases in the wake of the volcanic eruptions of Mount Pinatubo, said M.R. Kasemsamonson Kasemsi, minister attached to the Prime Minister's Office.

The Prime Minister told the commander that Thailand hopes that the ongoing negotiations between Washington and Manila on the two bases will be successfully concluded, he said.

M.R. Kasemsamonson quoted Adm Larson as saying that the U.S. air base will have to be relocated "somewhere in the Pacific".

But the possibility of Thailand being a potential location was not brought up during the talks, he said.

The Prime Minister outlined to the U.S. commander Thailand's proposal to transform ASEAN into a free-market economic zone, which will be considered at the upcoming ASEAN summit early next year, he said.

The premier said ASEAN members are looking for new arrangements for economic cooperation as the peace settlement on the Cambodia problem is close at hand.

Mr Anan, however, reassured Adm Larson that the proposal would not affect the role of the Asia-Pacific Economic Cooperation (APEC).

Both agreed that policy adjustments are needed in the post Cold War era, the minister said.

Adm Larson said the U.S. is likely to cut down its military presence in South Korea in the near future due to that change, he said.

Commerce Minister on Tape Violation, Article 301

BK3107023791 Bangkok Radio Thailand Network in Thai 0000 GMT 31 Jul 91

[Text] Speaking to newsmen about the issue concerning Thailand's copying of European song tapes, Commerce Minister Amaret Sila-on said the EC has announced that it will carry out an investigation by the end of this year to find whether or not Thailand has illegally copied European song tapes and caused adverse effects to the countries of the tape owners.

If the investigation proves Thailand has not done so, there should be no further problem for Thailand. In any case, since there is very little demand for European song tapes in the local Thai market, it would not therefore present any difficulties, Amaret pointed out.

Asked about trade talks with the United States on the Section 301 of the U.S. Trade Act, the commerce minister said Thailand will try to spend as much time as possible on the negotiations with the United States with the hope that the United States may soften its stance. If so, it would be more beneficial to Thailand. In any event, Thailand will still cling to its originial stand that the country's interests will be the most important factor in the talks.

Touching on the current problem of the prices of local goods, the minister said there is a tendency for pork prices to go down but for chicken prices to rise. He has urged chicken raisers to maintain their prices. He personally was not satisfied with the current prices of goods because the people are complaining that the prices are still high, concluded Amaret.

Textile Talks With EC Remain Deadlocked

BK3107013791 Bangkok THE NATION in English 31 Jul 91 p B1

[Text] Thailand and the European Community have failed to break their longstanding impasse in the recent bilateral textile talks in Brussels because of differences over the compensation quotas of two apparel products.

Charae Chutharatkun, director-general of the Foreign Trade Department, said Thailand also rejected the EC's suggestion that the bilateral textile accord be extended by another year after its expiry on Dec 30.

Charae, who led the Thai delegation in the negotiations with Schmal Lenberg, director of EC-ASEAN textile affairs on July 22-24, said the proposal was unacceptable because the 12-nation bloc wanted the agreement extended on the condition that the export allowances will remain unchanged as in the current pact.

The EC initiated tariff harmonization late last year, which severely affected the exports of Thai textiles and garments to the Community. The move resulted in the re-arrangement of textile and clothing product categories.

Some products which had not been governed by quotas were subject to quantitative restrictions under the new harmonized tariff rates, he added.

Without fair export quota compensations, the attempt to renew the bilateral textile agreement would not materialize, according to Charae.

Initially, the EC agreed to award additional quotas of categories 6 and 21 (woven trousers and woven parkas, anoraks) to compensate the quota losses of categories 16 (men's woven suits), 29 (women's woven suits), 74 (women's knitted suits) and 75 (men's knitted suits).

The EC wanted to compensate 80 percent or 2.8 million pieces of the combined export volume of the four items (3.3 million pieces). Thailand, however, wanted to increase the compensation quota to 1.9 million pieces per year per item. The EC later proposed to award the compensation quota at 1.5 million pieces per item per year. The Thai side has yet to advise whether this was acceptable.

However, the compensation quotas will be valid until the end of this year. Under the EC-proposed condition that the current agreement be extended by one year, Thai exporters would not be eligible to have compensation quotas during the extension period. The basic quotas for categories 6 and 21 are set at four million pieces and six million pieces, respectively.

Charae said the condition was unacceptable because Thai exporters would have to suffer the quota losses forever while the compensation would be made for only one year period.

The Thai side asked the Community to be particularly lenient to Thai textile and garment exporters, he added.

According to Charae, the Community will send officials in August or September to Bangkok to resume the talks in a bid to narrow the outstanding differences.

Japanese Interest in SRV May Hurt Trade

BK3007093591 Bangkok THE NATION in English 29 Jul 91 p B1

[Text] Japan's increasing interest in Vietnam may hurt Thailand's trading opportunities on the Japanese market, warned the Thai commercial officer in Tokyo, Amphawan Phitchayalai.

Although the Japanese Government has publicly announced that it would resume the Office Development Assistance [as published; "Overseas Development Assistance"] to Vietnam only after a comprehensive peace settlement in Cambodia is reached, the powerful Japanese Federation of Economic Organizations (Keidanren) and major trading houses have sent serveral trade and investment missions to Hanoi recently. Some of them have opened representative offices there.

Amphawan said that the bilateral trade between Vietnam and Japan has risen sharply from [yen] Y49.81 billion in 1988 to [baht] Bt116.1 billiion in 1990. Vietnam's exports amounted to Y84.94 billion while imports from Japan reached Bt31.15 billion, representing an increase of 77 percent and 331.1 percent, respectively.

The top ten exports from Vietnam include petroleum products (Y54.7 billion), frozen shrimp (Y13.93 billion), scraps of iron or steel (Y2.78 billion) and cuttlefish and squid (Y998 million). From Japan came automobiles, television sets, public buses, machines and power generation units.

Most of Vietnam's major export items are products that Thailand has readily supplied to Japan. These products include frozen shrimp, canned crab meat, green beans, home textiles and embroidered silk fabrics. The official feared that Japanese investment in these industries in Vietnam would be pitted against Thai products in the lucrative Japanese markets.

Many senior executives of the Japanese ruling party, the Liberal Democratic Party, have on several occasions hinted about Japan's intention to partially open its market for rice imports. In such an event, rice from Vietnam, which can be produced at a much lower cost than in Thailand, would compete fiercely against Thai grain.

The economic reforms in Vietnam have improved productivity and drawn overseas investment in several new industries there, Amphawan added.

Problems in Burma, SRV Benefit Rice Exporters

BK3007093391 Bangkok THE NATION in English 29 Jul 91 p B1

[Text] Thailand's rice exporting rivals, particularly Vietnam and Burma, are expected to produce less this year due to natural and political problems.

Thai Rice Mills Association's President Niphon Wongtra-ngan said that Thailand will be able to export more rice because Vietnam and Burma are unable to respond to the export demands and Thailand is [the] only country receiving market orders now.

Vietnam was expected to export one million tones of rice but it is likely to export only 700,000 tonnes, [according to] a forecast made by the U.S. Rice Mills Association. Vietnam currently faces a nasty pest problem which has significantly reduced its rice production capability.

Burma's rice export is also expected to decrease from 600,000 tonnes to 400,000 tonnes because it must export through workers in Europe who have been influenced by the United States's boycott which began in 1988. Trade with Burma was stopped by the United States because the country has not found solutions to its civil war and general elections have not materialized.

This year world rice production decreased because main producers such as China, the Philippines and Indonesia have experienced a slew of problems.

Niphon said that the Commerce Ministry will send permanent Secretary of the Ministry, Phiphan Inthonsap, along with representatives from the Thai Rice Mills Association to meet Vietnamese officials, rice exporters and Thai Military Bank's managing director in the Ho Chi Minh City branch on August 7-11.

Team To Complete Free Trade Area Details

BK3007024991 Bangkok BANGKOK POST in English 30 Jul 91 p 15

[Excerpts] Prime Minister Anan Panyarachun has instructed a working committee, chaired by Finance Minister Dr Suthi Singsanet, to complete details of the ASEAN Free Trade Area for proposal to the ASEAN Economic Ministers Meeting in October.

The premier's proposal to establish an ASEAN Free Trade Area was tabled for intitial discussion at the recent ASEAN Ministerial Meeting in Kuala Lumpur.

If approved in October it will be forwarded to the ASEAN Summit meeting in Singapore in January.

A source said the premier wanted to have a complete guideline on the establishment of the ASEAN Free Trade Area before the ASEAN Economic Ministers Meeting in October.

The first working committee meeting chaired by Dr Suthi was held yesterday. [passage omitted]

At yesterday's meeting a working group was appointed to be chaired by Dr Phanat Simasathian and represented by the NESDB, [National Economic and Social Development Board], BoI [Board of Investment], Foreign and Commerce Ministries and Dr Narongchai Akkharaseni.

The working group will discuss possible options for the establishment of the free trade area for further consideration.

ROK Foreign Minister Arrives for 3-Day Visit

BK3107031091 Bangkok Radio Thailand Network in English 0000 GMT 31 Jul 91

[Text] Foreign Minister Asa Sarasin will hold talks this afternoon on bilateral relations with his South Korean counterpart, Yi Sang-ok, at the Ministry of Foreign Affairs in Bangkok.

The South Korean foreign minister, accompanied by his wife and a five-member delegation, arrived in Bangkok at 9.50 P.M. last night as a guest of the Ministry of Foreign Affairs.

Apart from bilateral cooperation, both sides will discuss and exchange views on regional and international issues.

Later today, the visiting South Korean foreign minister will pay a courtesy call on Prime Minister Anan Panyarachun at Government House.

He will also visit several places of historical and cultural significance in Bangkok and nearby provinces.

The South Korean delegation will leave Bangkok tomorrow at 2 P.M.

Police Issue Warrants for Saudi Killers

BK3107013191 Bangkok THE NATION in English 31 Jul 91 p A2

[Excerpt] Police [Pol] have issued warrants for the arrest of gangsters suspected of being responsible for the killings last year of three Saudi embassy officials, the chief investigator of the case said yesterday.

But Central Investigation Bureau [CIB] Commissioner Pol Lt Gen Thanu Homhuan would not disclose how many alleged gangsters police were hunting for. Neither would he disclose their identities.

He merely said suspects in the controversial and politically sensitive case had fled the country.

Thanu was speaking to reporters after meeting Deputy Prime Minister Pol Gen Pao Sarasin and PM's [Prime Minister's] Office Minister M.R. Kasemsamoson Kasemsi at Government House.

Thanu said that only Pao and Kasem would be able to disclose the details of the investigation. The CIB chief said he met the two to report the progress made in the investigation.

But when pressed by reporters to disclose details about the warrants, Kasem said he did not know anything. [passage omitted]

Supreme Command Spokesman Reports on Refugees

BK3007144491 Bangkok Army Television Channel 5 in Thai 1230 GMT 30 Jul 91

[Text] General Narudon Detpradiyut, acting director of the Supreme Command Information Office, briefed a news conference on the border situation at the Supreme Command Headquarters. He said that there were no serious border incidents along the Thai border during the past month. However, there is a problem of the illegal immigrants, including the Cambodians, Burmese, and Laos. Thailand wants to send back these persons as soon as possible. There are now over 60,000 Lao refugees in the country. However, Gen. Narudon said that the Lao refugees will be repatriated by 1994. They will be repatriated in batches—each batch will consist of about 5,000 to 6,000 refugees. The illegal Burmese immigrants which include students have been confined to strict areas and are forbidden from engaging in political activities.

He also said that we were speeding up the repatriation of the Cambodian refugees so that they can return to participate in the upcoming general election. To prevent the increase of refugees, the authorities will explain to the refugees who want to enter the country that now it is difficult for resettlement in third countries.

NPKC Leaders Disagree on Achievements

BK3107011991 Bangkok THE NATION in English 31 Jul 91 p A1-A2

[Text] Criticism besieging the National Peace Keeping Council [NPKC] was compounded by confusion yesterday due to conflicting statements made by two NPKC leaders over whether the military has achieved all its goals set when it ousted the elected Chatchai government in February.

At the centre of confusion was Army Commander in Chief and Deputy NPKC Chairman Gen Suchinda Khraprayun who publicly claimed yesterday that the NPKC has successfully tackled five major problems cited as reasons for the Feb 23 coup.

Suchinda's statement surprisingly ran counter to that of Army Chief of Staff Gen Wirot Saengsanit, also an NPKC leading member, who said his "boss" acknowledged that the military council had accomplished "none" of its goals.

"My boss is not so happy nowadays because none of the five goals set as reasons for the coup has been achieved," said Wirot, who is also deputy communications minister.

Suchinda is Wirot's superior in the army. The interviews of the two generals took place separately.

Their comments canme in the midst of mounting criticism against the NPKC, which vowed after the coup to get rid of corruption, foster parliamentary democracy, eliminate political interference in the bureaucracy and solve the mystery of the alleged 1982 assassination conspiracy.

Critics have attacked the military's usually-furious denial that corruption was also rampant in the Armed Forces, and the apparent NPKC influence in the interim National Assembly, which is responsible for adopting Thailand's new consitution.

Responding to the criticism, Suchinda yesterday cited the on-going investigation into assets of politicians named by the NPKC as unusually rich.

Eleven politicians, including ousted Prime Minister Chatchai Chunhawan, have been declared unusually wealthy by the NPKC-installed Assets Examination Committee. They would have their assets confiscated by the state and be banned from future elections if they failed to convince the committee that they had acquired their wealth legally.

Suchinda also said police had made considerable progress in their probe into the alleged assassination plot.

Two former communist members are being tried in court after prosecutors charged them with attempting to assassinate Her Majesty the Queen, former Prime Minister Prem Tinsulanon and ex-army chief Athit Kamlang-ek. Six other suspects, including Chatchai's close aide, Manun Rupkachon, face the same charges but are still at large.

"We have achieved all our goals," Suchinda said. "The assassination case is being handled in court, the corruption investigation has made much progress, the new consitution is nearly completed and a general election will take place soon".

He tried to play down widespread concerns that the NPKC would exploit posssible consitutional loopholes to remain in power after the general election.

"We already have power, everbody in the NPKC. We are Army chief, Navy chief and Air Force chief. There is no need to seek (more) power," he said. Suchinda also responded to a remark by M.R. Sukhumphan Pariphat, a former adviser of Chatchai, that the military must "clean it's house" first to prove its sincerity in tackling corruption. "We are already clean," said Suchinda.

Wirot's comment, however, coincided with news reports quoting Suchinda as confiding to "close aides" that he considered the Feb 23 coup a failure as far as "cleaning up politics" was concerned.

Suchinda was also quoted as saying that a general election was not necessary as long as "there was a good government which responded to the people's needs and allowed full freedom of expression."

Criticism against the NPKC intensified when the military-installed Constitution Drafting Committee recently decided to maintain the absolute power granted the NPKC leader and the caretaker prime minister during the transitional period.

Suchinda yesterday denied that the absolute power given by Article 27 of the interim Constitution would spoil the atmosphere of next general election and help the NPKC to remain politically powerful.

He said Article 27 was necessary to ensure the NPKC's power during this transitional period. "Without Article 27, where does the NPKC's power lie? When the NPKC is dissolved (after the election), Article 27 will automatically be cancelled," he said. Interior Minister Gen Itsaraphong Nunphakdi, meanwhile, cautioned intellectuals yesterday that criticizing the National Peace Keeping Council and government was welcome but they must be careful not to slander anyone.

Itsaraphong also asked the public to keep him informed about the problems they wanted to be solved.

Vietnam

Deputy Minister: 'Progress' in Solomon Talks

BK3107005791 Bangkok THE NATION in English 31 Jul 91 p A2

[Text] A senior Vietnamese official said yesterday talks on normalizing relations between Vietnam and the United States have made some progress but blamed the Americans for the delay in reaching the goal, saying they were placing too many obstacles in the way.

"We are moving step by step, however it is still slow... the fact is the U.S. Government is attaching too many conditions and this is delaying the process of normalization between the two countries, Vietnamese Deputy Foreign Minister Le Mai told reporters yesterday after a three-hour talk with U.S. Assistant Secretary of State for East Asia and Pacific Affairs Richard Solomon here. [no close quote as published]

Solomon unexpectedly cancelled his scheduled press conference after the meeting. But later a statement was issued by the United States Information Service which said that Solomon considered his meeting with Le Mai the first formal one between the U.S. and Vietnamese Governments.

"The meeting was considered the first formal meeting since the last one in April in New York during which Solomon laid out the U.S. Government's policy on the political and economic normalization of the U.S. and Vietnam," said the statement. Solomon left Bangkok last night.

The meeting which was held at the U.S. ambassador's residence in Bangkok was the first U.S.-Vietnamese official high level normalization talks to be held in a third country but the sixth in a series which began in April last year.

Le Mai said the U.S. still preconditioned the settlement of Americans declared missing in action (MIAs) in the Vietnam War and of the Cambodian problem to establishing ties.

Le Mai reiterated the Vietnamese position that conditions should not stand in the way towards normalizing relations between the two countries.

"Any condition raised in the way of normalization process between two countries would be unfair," he said.

The Vietnamese minister said it would be more beneficial if both countries established mutual understanding and found common ground on some issues which would be easier to solve.

The minister said he talked to Solomon at great length on cooperation on the MIA issue and the schedule of activities for the coming weeks.

Washington will next week dispatch a delegation to work with the Vietnamese to investigate the possible survival of American military personnel. A photo recently circulated showing three U.S. servicemen has renewed speculation that U.S. military men may still be held captive there.

Le Mai ruled out the possibility that there were still some Americans alive or held captive in Vietnam. "It is not in Vietnam's interest whatsoever to keep the Americans prisoner for years like this," the minister said.

"However, in the spirit of cooperation I told them if there is any evidence to show that even one living American is in Vietnam, and even if the chance is zero point zero zero of one per cent, we'll agree to a joint investigation with the Americans," Le Mai said.

Both sides did not discuss the Cambodian issue in detail, according to Le Mai who asserted that it was not the proper time for outsiders to talk about this since the Cambodian factions were now in the process of seeking their own solution.

However, he said both sides agreed that the right of Cambodians for self-determination and to decide on issues among themselves should be respected. And the comprehensive peace settlement should be in line with the Paris International Conference on Cambodia and the UN blue-print, he added.

He said Vietnam hoped that the upcoming intra-Cambodian meeting in Bangkok would be successful. "And I think that the Americans also share the same hope," he added. Cambodia's Supreme National Council which united the Phnom Penh and its tripartite opponents will meet between Aug 26 and 28 to discuss the UN peace plan.

He said the U.S. gave no hint on when they might totally lift a trade embargo imposed on Vietnam but hoped that they would continue easing the sanctions step by step as was unofficially happening now.

The embargo has prevented the country from receiving loans from the International Monetary Fund and other international financial bodies to revive its flagging economy.

Le Mai will travel to India today and is expected to stop over in Bangkok to meet with some Thai Government officials early next week on his way back to Hanoi.

Expert Provides Estimates on Oil Potential

BK3107064791 Hanoi VNA in English 0605 GMT 31 Jul 91

[Text] Hanoi VNA July 31—A U.S. minerals resources expert has estimated that Vietnam might be producing 600,000 barrels of crude oil per day or at least 200,000 barrels at the end of this century or early the next century.

In an interview with Asia-Pacific Briefing Centre, Charles Johnson, minerals economics research associate with the Resources Programmes, East-West Centre, Hawaii, estimated that Vietnam could be a "middle-ranking oil producer in 10-15 year's time".

He said of the present three oil fields of Vietnam Dai Hung (Great Bear) is the largest with possible reserves of between 300-600 million barrels. Next comes Bach Ho with between 175 and 300 million barrels and Rong (Dragon) may have 100 to 150 million barrels. The combined reserves of all the three are estimated between 575 and 1,050 million barrels.

Johnson said he believed production might rise to 100,000 barrels/day in 1991 from 55,000 barrels in 1990.

He added that the low sulphur content of Vietnam's oil makes it very attractive in countries trying to lower their sulphur emissions.

On Vietnam's refining capacity, Johnson said it is still small at present but in production-sharing joint ventures with Shell of the Netherlands and Total of France, Vietnam could increase its oil refining capacity to 120,000 barrels/day by the mid-1990's .

UNDP-Funded Energy Project Signed on 30 Jul

BK3007150291 Hanoi VNA in English 1421 GMT 30 Jul 91

[Text] Hanoi VNA July 30—A project on energy sector review codenamed VIA/90/008 funded by the United Nations Development Program (UNDP) was signed here today by Le Liem, vice minister of energy, and David Smith, UNDP president representative in Vietnam.

The signing was witnessed by Vu Ngoc Hai, minister of energy.

UNDP will grant 450,000 US dollars to implement the project. The World Bank will send experts to Vietnam to work out a medium-term strategy for energy development in Vietnam which will help foreign countries and organizations cooperate with Vietnam in developing its energy sector.

Briefs on Export Firms, Foreign Investors

BK3007154191 Hanoi VNA in English 1400 GMT 30 Jul 91

[Text] Hanoi VNA July 30—Nichimen Corp, one of the leading trading corporations in Japan, has opened an office in Ho Chi Minh City.

The corporation has been doing business with Vietnam for many years, chiefly in the textile industry. It has formed joint ventures with Viet Thang Vimytex, Dong [name indistinct] textile factories, and with the sugar refineries of Binh Duong and Quang Ngai.

Nichimen Corp, is also keen on arts and crafts and farm and marine products. Its turnover in Vietnam last year totalled U.S. dollar 9 million.

—By the end of June, 164 foreign companies had received permission to set up offices in Vietnam. Of the number, 112 are in Ho Chi Minh City.

Seven other offices have also been established. They represent oil companies currently operating in Vietnam-Petro Canada, Petro Fina, British Petroleum, enterprise oil, shell, total and spectre.

—The Union of Producers and Exporters of Plastic Goods overfulfilled its plan for the first semester by 19.5 percent, increasing output value five times over last year's first six months.

In 1990 the union spent almost U.S. $2 million on upgrading three major factories in Ho Chi Minh City. Its products, chiefly imitation leather, insecticide sprayers and packaging, are exported to France, Australia, Switzerland and Algeria.

Algerian Energy Industrial Team Visits 25-27 Jul

BK3007071391 Hanoi VNA in English 0557 GMT 30 Jul 91

[Text] Hanoi VNA July 30—A delegation of the Algerian Electricity and Gas Society "Sonegaz" visited Hanoi from July 25 to 27, 1991 at the invitation of the Vietnam Institute of Energy (VIE).

Following working sessions with leading officials of VIE and the Ministry of Energy, a memorandum was signed providing for a jointly sponsored seminar on rural electrification to be held in Hanoi from November 18 to 21, 1991. The seminar will be addressed by Algerian and Vietnamese lecturers and attended by seminarists of Vietnam, Laos and Cambodia.

Envoy to EC Presents Credentials 29 Jul

BK3007145091 Hanoi VNA in English 1419 GMT 30 Jul 91

[Text] Hanoi VNA July 30—Dinh Phu Dinh, ambassador and head of the Vietnamese mission to the European Communities (EC), on July 29 presented his credentials to EC incumbent President Peter Dankert.

Ambassador Dinh Phu Dinh took this opportunity to express the Vietnamese people's thanks to the EC for its assistance so far. He said he hoped that the EC-Vietnam relations would be further developed.

Speaking at the event, the EC incumbent president who is also minister of state of the Netherlands' Foreign Ministry, among other things, welcomed Vietnam's achievements in the renovation process.

National Assembly Proceedings for 31 Jul

BK3107102991 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 31 Jul 91

[Text] This morning, 31 July, at the ninth session of the eighth National Assembly, deputies conducted group discussions on the draft law on tax for agricultural land use. The discussions focused on the bases for land classification, the duration of land classification, the bases for tax computation, tax rates levied on annual and perennial plants, tax reduction and exemption, the tax collection system, the advisability of including in the law the percentage of taxes to be allocated to the budgets at various levels, and the rates of tax surcharge to be levied on private households using 2 hectares or more of agricultural land.

This afternoon, the deputies will continue their group discussions on the draft law on amending and supplementing some Penal Code Articles.

29 Jul Deputies' Discussion on Constitution

BK3007150391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Jul 91

[Report on second day of the ninth session of the National Assembly—partially recorded]

[Summary] "This morning, on the second working day of the ninth session of the eighth National Assembly, the deputies discussed in groups the second draft amendment to the 1980 Constitution."

About the preamble of the draft, all the deputies agreed that it was rewritten in a brief, more sufficient, and less self-congratulatory style. The preamble mentions the most important historic events of our revolution since the birth of the party.

However, many deputies also expressed some practical opinions on making the preamble of the draft better fitted to its position in the Constitution.

Comrade Lu Minh Chau, acting head of the Ho Chi Minh City delegation, said: We think the draft is better now that it has been rewritten. The wording is briefer and clearer. However, we still see that it is necessary for it to be further amended in some areas in order to be better and clearer in meaning.

As with the contents of the second draft amendment of the 1980 Constitution, the deputies enthusiastically discussed details of every chapter and article.

"In Article Four of Chapter One on the leadership role of the Communist Party of Vietnam [CPV], most of the deputies agreed with solution one of the draft document without any further explanation, as mentioned in solution two. Also, some opinions suggested that the leading method of the party and the management role of the state should be stated more clearly and in-depth to avoid confusion in the implementation process.

"In Chapter One, Article 14 of the document, the deputies also contributed opinions on our government's foreign relations. Most opinions agreed with the draft document because they think the article sufficiently stated the government's principles on foreign relations.

"In Chapter Two on the national economic structure, many deputies agreed with the draft document and confirmed that our government must develop a commodity market-oriented economy with different sectors under the control of the government and under socialist direction. The multi-sector economy will exist for a long time and will be based on state, collective, and individual ownership, of which state and collective ownership will gradually become main sectors."

However, considering the present reality, the state economic sector has not yet shown its leading role because it is running at a loss and there are not enough jobs for workers. Therefore, deputies suggested that responsibility in the state economic sector should be defined and the head of each unit should be made responsible for a failure of the unit itself.

The responsibility of the individual economic sector before the nation and the responsibility of the state in supporting the individual sector should also be stated in the document.

The deputies also mentioned the importance of household economy, which plays an important role in the economic life of cadres, workers, and government officials.

In reference to Articles 18 and 19 of the document, which are about management of land by the state, the deputies spent a great deal of time discussing the meaning of land transactions. Land transactions are not the trading of land but only the right to use the land. This means that when the state needs it, the land can be taken back at anytime according to the law. Therefore, according to Vo Chi Cong, chairman of the State Council, in order to avoid confusion it is necessary to state clearly that people have only the right to use and pass on their land. However, the deputies also agreed that generally speaking, this part is written sufficiently clearly and it is not necessary to change very much, although the regulatory role of state laws over the land should be stressed in the document.

When discussing Article 21 on development of the individual capitalist sector to serve the national interest, Comrade Le Cong Co, a delegate from Quang Nam Da Nang Province, suggested that the individualist capitalist sector should be allowed to develop under different forms and be treated equally with other economic sectors. He also suggested that individuals should be allowed to do business overseas.

More Than 1.6 Million Hectares of Rice Planted

BK3107065391 Hanoi VNA in English 0555 GMT 31 Jul 91

[Text] Hanoi VNA July 31—By July 25, 1991 farmers throughout the country had planted 1,606,400 hectares of the autumn rice, representing 60 percent of the plan.

The northern provinces had 1.2 million hectares under rice, accounting for 90 percent of the plan. But recent heavy rains and floods have caused substantial damage to the crop chiefly in the northern mountain and midland provinces.

Meanwhile the southern provinces had cultivated 483,650 hectares of rice, up by 19.7 percent over the area under the same crop one year earlier. Besides, they had harvested sumer-autumn rice on 204,000 hectares.

38 Feared Dead in Flooding in Northern Province

BK3007151991 Hanoi VNA in English 1409 GMT 30 Jul 91

[Text] Hanoi VNA July 30—Thirty-eight people are feared dead and hundreds of others were injured in the flood that hit the northern province of Son La on July 27.

One hundred and ninety-three houses were swept away and 728 others and about 1,500 hectares of food crops submerged for several days.

The flood and accompanying rains also dismayed 32 suspension bridges, three ferro-concrete bridges. They also caused substantial damage to 123 dams, about 40 kilometres of canals, three pumping stations, and 26 kilometre of roads, more than 600 high-voltage electric and telephone poles and thousands of metres of communications cable.

The material losses are estimated at Vietnamese dong 26 billion.

Australia

Minister Blames EC for Wheat War; Not Subsidy

BK3107104791 Hong Kong AFP in English 0928 GMT 31 Jul 91

[Text] Sydney, July 31 (AFP)—Australia registered its growing alarm Wednesday at what it sees as an emerging wheat war between the United States and the European Community (EC).

A joint statement by two ministers accused the two trading giants of depressing prices to unreasonable levels following news that the EC had negotiated the sale of 1.5 million tonnes of subsidised wheat to China.

The price of 75 U.S. dollars a tonne is significantly below prevailing world prices, and prompted the United States to declare that it would retaliate by cutting prices under its Export Enhancement Program (EEP).

This is despite a promise from President George Bush that the United States would try to avoid selling EEP wheat in traditional Australian markets, such as China.

Trade Minister Neal Blewett and Primary Industries Minister Simon Crean said the likely effect would be to impose further hardship on an already-depressed Australian rural sector.

But Mr. Blewett ruled out any move by the government to match subsidies with Europe and the United States, saying Australia—with a tax base of only 17 million people—could not hope to win.

He said he was disappointed with the U.S. move following Mr. Bush's assurances, but he laid the blame at Europe's feet.

Mr. Blewett said the subsidy war had accelerated over the past six months because of the Europeans' refusal to negotiate a reduction in agricultural protection.

"Of course, as we point out to the Americans who are allied with us in getting reform of international trade in agriculture, this tactic of theirs damages countries like Australia very severely," he said.

Opposition politicians called on Prime Minister Bob Hawke to telephone Mr. Bush and make it plain that Australia was angry about the United States breaking its word.

Acting opposition trade spokesman Grant Chapman said the U.S. plan to sell EEP wheat to China was a clear breach of the president's pledge.

"If the prime minister cannot stand up to George Bush on this matter, which affects the very livelihood of Australian farmers, he should stand down and let someone with a less sycophantic attitude to America do the job," he said.

However, the Australian Wheat Board said U.S. and EC sales to China, while damaging to the international market, would not force it to revise its forecast price of 130 U.S. dollars a tonne for next year's wheat crop.

Board General Manager Marketing Ron Storey said the small size of Australia's wheat crop meant it could concentrate on selling to blue-ribbon markets in Asia and the Middle East where reasonable prices could be maintained.

"It's bad news for the market because it creates the expectation that prices will come down," he said.

"But we have a much smaller crop this year because of the problems farmers have been experiencing and this means we can stay at the upper end of the market with our loyal customers," he said.

Increase of Migrants in March Due to Exodus

BK3107103991 Hong Kong AFP in English 0935 GMT 31 Jul 91

[Text] Canberra, July 31 (AFP)—Hong Kong's exodus was largely responsible for a jump in the total number of settlers arriving in Australia in March, according to figures released Wednesday.

Even with the Australian economy in deep recession, a total of 10,890 permanent settlers arrived during the month, 13 per cent more than for March last year and the highest number for at least 15 months with the exception of August last year.

The 2,810 settlers who arrived from North-East Asia represented an increase of 123 per cent on March 1990, the Bureau of Statistics said.

"This was mainly the result of an increase in arrivals of settlers born in Hong Kong which in March 1991 made up 73 per cent (2,060) of the total from this region," it added.

The next biggest group of immigrants were the 2,270 from South East Asia (countries such as Vietnam, Thailand and Cambodia) followed by 1,710 from Britain and Ireland.

But the figures also show that while immigration was up, so was the number of Australian residents departing for pastures new either permanently or for long periods.

A total of 2,900 permanent departures was 19 per cent more than for March last year while 6,100 intended long term departures represented a five per cent jump on March, 1990.

At least part of the exodus was attributed to New Zealanders returning home.

At the same time, immigration from New Zealand continued to decline with settlers down 30 per cent between march this year and last year, the bureau said.

But it said the trend estimate of short-term visitor arrivals was continuing to show a decline.

The number of people visiting Australia for "business" reasons declined 22 per cent this March compared to last March.

Of the 189,200 short-term visitors in March, 58 per cent were here for holidays and 21 per cent to visit relatives; the number of people visiting Australia for the latter reason increased by eight per cent between March 1990 and March 1991.

However, Tourism Minister David Simmmons said tourist arrivals to Australia during March indicated the beginning of the "climb back" for Australian tourism after the Gulf war.

After a fall of one per cent in February this year, the number of short-term arrivals in March was almost the same as the number in March 1990, he said in a statement.

"This is a fair position for Australia to build upon," Mr. Simmons said. "As expected, it will take some time for arrivals to gear back up following the war."

He said a six per cent increase in arrivals from Britain and Ireland was "the best result in this market for some time".

But figures from the rest of Europe showed arrivals were down by 13 per cent. Those from Japan dropped by 12 per cent and the United States by three per cent.

Evans Urges Fiji Opposition To Join Elections

BK3107071391 Melbourne Radio Australia in English 0500 GMT 31 Jul 91

[Text] Australian Foreign Minister Gareth Evans has urged Fiji's opposition parties to take part in the elections scheduled for next year. Speaking at a conference in Canberra, Senator Evans said the opposition parties should participate to ensure they were not marginalized in the future. He said Australia had clearly stated the fundamental problems it saw with Fiji's Constitution.

The foreign minister said Australia hoped in the long run there would be more balanced recognition of the rights of all racial groups.

[Begin Evans recording in progress] ...but at the same time, as I have been making clear over the last few months, we have to acknowledge that the present Constitution is (?now) a reality, that there is nothing we or anybody else is going to be able to do about it in the short and medium term, but what is important is to restore at least a semblance of democratic process or to take an important step back towards a proper elected democratic government. That step forward is about to take place with the new elections; that will restore some legitimacy of a process that ought to be recognized. [end recording]

Papua New Guinea

Australian Judge Linked to Deputy Premier Trial

BK3107073191 Melbourne Radio Australia in English 0500 GMT 31 Jul 91

[Text] A hearing into allegations of misconduct against the deputy prime minister, Ted Diro, has been adjourned following surprise allegations against an Australian judge. Marias Benson reports from Port Moresby the allegations were directed against Judge (Toss Burnett) who conducted an inquiry into PNG's timber industry which led to the charges against Mr. Diro.

[Begin Benson recording] The hearing opened this morning. Counsel for Mr. Diro, (Lawanni Hennow), told the court his client had been contacted by the estranged wife of Judge (Burnett) last week. In a phone call from Perth she told him that her husband, at the time he was conducting the forest inquiry, had told her he wanted to pin Ted Diro, wanted to kill him through the media.

[Name indistinct] said her husband was a friend of a man conducting the present hearing of charges against Mr. Diro, Judge (Arnold Ahmed). And she said Judge (Ahmed) has been in contact with her husband who kept him informed of the case.

Mr. (Hennow) said Judge (Ahmed) should on both grounds disqualify himself from further hearing the case. Judge (Ahmed) confirmed he was a friend of Judge (Burnett) but said he had no contact with him since he was appointed to the tribunal.

He said he would allow [words indistinct] to obtain more information from Mrs. (Burnett) and that he would expect an apology when the claims against him were proved to be false. [end recording]

Solomon Oppositon Leader To Attend Peace Talks

BK3107074491 Melbourne Radio Australia in English 0500 GMT 31 Jul 91

[Text] Solomon Islands opposition leader Andrew Nori plans to travel to Papua New Guinea [PNG] to discuss a peace plan he has put forward for the island of Bougainville. The plan which envisages eventual independence for Bougainville was submitted last week to authorities in both Port Moresby and Bougainville. It has already been rejected by the PNG prime minister, Rabbie Namaliu.

Despite this, Mr. Nori said there was room within the wording of the plan for improvement through open dialogue. He told the Pacific News Agency, PAC News, that if the question of Bougainville's independence were not negotiated, the result could be instability in Melanesia.